Volume 11, Number 1 **ISSN 1095-6328**

ACADEMY OF EDUCATIONAL LEADERSHIP JOURNAL

An official Journal of the

Allied Academies, Inc.

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Editors
Lander University

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Whitney Press, Inc.

Printed by Whitney Press, Inc.
PO Box 1064, Cullowhee, NC 28723
www.whitneypress.com

The *Academy of Educational Leadership Journal* is published by the Allied Academies, Inc., PO Box 2689, 145 Travis Road, Cullowhee, NC 28723, (828) 293-9151, FAX (828) 293-9407. Those interested in subscribing to the *Journal,* advertising in the *Journal,* submitting manuscripts to the *Journal*, or otherwise communicating with the *Journal*, should contact the Executive Director at info@alliedacademies.org.

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LETTER FROM THE EDITORS

Welcome to the *Academy of Educational Leadership Journal*. The *AELJ* is published by the Allied Academies, Inc., a non profit association of scholars whose purpose is to encourage and support the advancement and exchange of knowledge, understanding and teaching throughout the world. The *AELJ* is a principal vehicle for achieving the objectives of the organization. The editorial mission of this journal is to publish empirical, theoretical and scholarly manuscripts which advance the discipline, and applied, educational and pedagogic papers of practical value to practitioners and educators. We look forward to a long and successful career in publishing articles which will be of value to many scholars around the world.

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We intend to foster a supportive, mentoring effort on the part of the referees which will result in encouraging and supporting writers. We welcome different viewpoints because in differences we find learning; in differences we develop understanding; in differences we gain knowledge and in differences we develop the discipline into a more comprehensive, less esoteric, and dynamic metier.

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Royce Caines and Michael Shurden
Editors
Lander University

USING A MARKETING APPROACH TO IMPROVE RECRUITMENT RETENTION OF AFRICAN-AMERICAN STUDENTS IN A BBA PROGRAM

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ABSTRACT

In an era of dynamic challenges facing business education in the USA, one challenge stands out prominently. That challenge is the retention of students. As the USA population becomes more diverse, college age students are becoming more diverse. This paper examines some of the research on the recruitment and retention of African American students. In particular, one university's experience is analyzed in how it followed a broad marketing plan to recruit and retain African Americans in its BBA programs.

INTRODUCTION

A major challenge facing higher education in the U.S.A. is the retention of minority students. In particular, mainstream colleges and universities have had difficulties retaining African American students. Numerous studies have documented this retention problem (Hodkison, 2001; Laguardia, 1998; Lee, 1999; McDaniel & Graham, 2001). Many explanations for high drop out rates among African American students in traditional universities (i.e. not in historically black institutions) exist. For example, under preparation for college level work, the lack of a collegial, supportive community, isolation, and the competitive atmosphere found at many universities are a few of the reasons for retention problems among African Americans as compared to their white counterparts. (Zea, Reisen, Beil & Caplan, 1997).

In particular, traditional schools of business have especially encountered difficulties retaining African American students. Since most accredited business programs are rigorous, analytical, demanding, and competitive by nature, retention of students has always been problematic. For African American students, many of whom are first generation college students, the challenge of doing well and completing the B.B.A. degree is particularly difficult.

This paper examines some of the broad challenges facing business school educators in the U.S.A as the population becomes more diverse. The research literature addressing retention of

African Americans in colleges and universities is reviewed. Then, data from the National Center for Education Statistics is analyzed for clues about retention of African Americans in BBA programs. Finally, the experiences of one regional university are discussed. This particular university has had notable success in recruiting and retaining African Americans in its College of Business Administration.

CHALLENGES FACING BUSINESS EDUCATION IN THE USA

In 2002, an in-depth study of business school education was published by AACSB International. The task force commissioned to do this study was named the METF (Management Education Task Force) and was largely comprised of deans from AACSB schools. (Olian, Caldwell, Frank, Griffin, Liverpoool & Thomas, 2002).

The METF was asked to study critical issues facing the business school industry in the USA and to recommend possible remedies. Also, an additional challenge facing the METF was to look at the future of business school education and to develop recommendations for how AACSB and its member schools could bring about changes in several key areas.

According to the METF study, the context for business school education has changed greatly even since the mid-1990's. For example, in the USA, currently the size of the college age population suggests that business school enrollments will grow. However, juxtaposed to this upcoming "bulge" in the size of the traditional college age population is the fact that the market share of business degrees, as a percentage of all degrees awarded in the USA, fell to slightly less than 20% in the late 1990's? This drop was down from a historic high of 24% in the late 1980's. (Olian & et.al., 2002). This drop should be a warning to business school educators that actions need to be taken.

There are some indications that the demand for graduate level business degrees in the USA is waning. For example, Business Week, in its 2004 yearly special feature on rankings of MBA programs, found that MBA application numbers are down across the nation. One reason for this is an improving economy, yet another strong reason is the rapid growth of MBA programs throughout the rest of the world, particularly in Europe and China. However, even though future trends are difficult to predict, most experts do expect demand for undergraduate and graduate business degrees to remain strong.

Other challenges facing business educators in the USA are the rapidly changing demographics of our population in general. Of special note is the fact that ethnic diversity is increasing greatly. For example, 72% of the USA population was white in 1999. This figure is expected to drop to 62.4% by 2025. Hispanics are expected to grow the fastest, from 11.5% in 1999 to 17.6% in 2025. African Americans were 12.1% in 1999 and anticipated to be 13% by 2025. (U.S. Census Bureau, 1999). Hence, a major challenge business schools will be forced to address is how to respond to a changing "customer base."

Since this paper focuses particularly on retention of African American students in undergraduate business programs, it is useful to examine the research literature addressing this concern.

LITERATURE REVIEW: RETENTION OF AFRICAN AMERICAN COLLEGE STUDENTS

A review of the research on this issue reveals many studies that have tried to identify why African American students are less likely to finish college than their white counterparts. We could find no single study that focused exclusively on business school retention rates.

One study (Berger, 1992) found no significant differences in retention rates between whites and minority students in an undergraduate social work program. However, those students between the ages of 35-44 and/or with prior low GPA scores did require special retention strategies to help them succeed.

However, another study focusing on other variables did find significant differences. (Zea, Reisen, Beil, & Caplan, 1997), looked at first year students attending a large, predominately white, coeducational, private northeastern university. Non-minority students were found to have higher levels of coping, self-esteem, GPA, and identification with the university, whereas a greater portion of the ethnic minority students reported having experienced disrespect which resulted in decreased social integration into the campus community which then led to higher attrition rates among minority students.

Similarly (Eimers & Pike, 1997), found that minority students had lower levels of entering ability, less external encouragement, and lower levels of perceived affinity to the university which then led to a reduction in their intentions to persist. Another study suggested that the lack of a national policy of financial aid for minorities combined with the need to expand college preparation opportunities was directly related to retention (Laguardia, 1998).

Other studies suggest the following: minority retention is affected by participation in school activities like greek fraternities and early academic success (O'Toole & Peterson, 1999); minorities attending large, urban research universities experience greater difficulties in the transition process to the culture and experience higher levels of stress when deciding on future career choices (Lee, 1999); retention is affected by student desire, impressions about the institution, and family emotional support (Allen, 1999). Finally, some scholars have suggested that public research universities foster a competitive culture in which critical thinkers excel and academic excellence is expected within the learning community. Notions such as "collegiality" and "community" are gaining popularity on university campuses, but these institutions still promote autonomy and independence in learning among its members. This competitive, isolated environment makes it difficult, especially for African American students who are uncertain about their academic skills and feel marginalized from the mainstream population (Wetzel, O'Toole, & Peterson, 1999).

USING A MARKETING FRAMEWORK TO IMPROVE RETENTION

Marketing educational services is not a new concept. One of the best general guides for understanding the marketing process as it applies to educational institutions is found in (Kotler & Fox, 1985). According to these authors, strategic planning in educational settings is the "process of developing and maintaining a strategic fit between the institution's goals and capabilities and its changing marketing opportunities. A marketing strategy relies on developing a clear institutional mission, supporting goals and objectives, a sound strategy, and appropriate implementation." Since the university setting being described in this paper has as part of its basic mission to "serve the educational needs of its region," the university began to reassess its "customer base" many years ago.

Historically, the university described in this paper began as a teachers college about 100 years ago. It has grown to over 16,000 students and is public and comprehensive, offering many undergraduate programs, several masters' degrees, and a few doctoral degrees. Located in the Southeast USA, the university is a traditional campus featuring mostly day classes where students reside on campus or live in nearby apartments. The city is fairly small and the region is rural with a large agricultural base. Throughout much of its history, the racial mix of the university was predominately white. Beginning in the early to mid 1980's the student populations began to change dramatically. For example, in 1987 about 10% of students were African American. By 2005, that percentage was approximately 19.6%.

Beginning in the mid 1980's, as the university's "customer demographics and needs" began to change, so began a serious attempt by the university to reassess its approach to delivering educational services. The university began to follow a marketing approach to serve its students.

According to (Kotler & Fox, 1985), the development of a marketing plan to recruit and retain students consists of the following steps:

- ♦ Identify enrollment problems and needs in relation to resources and mission.
- ♦ Define enrollment goals and objectives in line with institutional strategy.
- ♦ Conduct research to segment the potential student market, to identify target markets, to understand the student decision process, and to determine market size and potential.
- ♦ Determine the marketing strategy for recruitment and retention, including the target market(s), marketing mix, and marketing expenditure level.
- ♦ Plan and implement action programs.
- ♦ Evaluate results and procedures, including cost-effectiveness of recruitment and retention efforts and satisfaction of enrolled students.

THE MARKETING STRATEGY: IDENTIFY PROBLEMS

According to Kotler and Fox, the first step in developing an effective marketing strategy for educational institutions is to: Identify enrollment problems and needs in relation to resources and mission. As the university's student mix began to change and grow rapidly, problems were identified. For example, during the late 1980's and early 1990's the university was the fastest growing college in the USA. With this growth came housing shortages, staff and faculty shortages, tutoring shortages, and especially shortages of services and programs designed to help students who were in need of academic support. Many of our students (not just minorities) are first generation college students and many need remedial help with math, writing, and reading skills. Additionally, with a growing level of diversity across campus came the need to provide staff and services to enrich those students' academic experiences.

DEFINE GOALS AND OBJECTIVES

The second step of this marketing strategy was to: Define enrollment goals and objectives in line with institutional strategy. Likewise, the retention of those students was paramount. Essentially the President and executive groups who were developing a plan for managing student enrollment growth decided not to limit growth. The broadly defined goals were to accept anyone who qualified and to do our best in serving them.

CONDUCT MARKETING RESEARCH

The third step of a marketing strategy is to conduct market research. As the university critically assessed its efforts, it began to realize that more needed to be done to serve a growing segment of minority students. A large number of our African American students come from greater Atlanta which is the 9th largest city in the United States. The US Census identifies the city of Atlanta, Georgia consisting of 61.39% African American. Many publications identify the city as the Mecca for black urban professionals. The university in this study is located 3 hours from this capital city.

DETERMINE MARKETING STRATEGY

The fourth step is to develop a marketing strategy. Plans were designed to put more effort into recruiting across the state, especially in the Metro-Atlanta areas where approximately 25% of our student body originates. Likewise, more resources were devoted to hiring faculty and staff to help those students who needed help. Similarly, more resources were budgeted for building an infrastructure of physical and social structures within which students could become active, both physically and socially. The institution in this study is marketed "as a big school with a small school environment." There is a low student teacher ratio and a focus on teaching. This is especially appealing to African Americans who excel at teaching universities. Many professional African Americans in Atlanta have been educated by Historically Black Colleges and University's (HBCU) so they understand the advantages predominately white state supported institution possess. Traditional comprehensive state universities give African American students more opportunities that traditional HBCU's can not afford. In Atlanta, the HBCU's are Spellman, Morehouse, Morris Brown, and Atlanta University. Our university is capitalizing on an under served market.

PLAN AND IMPLEMENT ACTION PROGRAMS

The fifth step of a marketing strategy is to plan and implement. The types of actions implemented as a result of this marketing strategy will be discussed at the end of this paper.

EVALUATE RESULTS AND PROCEDURES

The final step of a marketing strategy is to evaluate results. The university continues to evaluate it marketing efforts. The results of these efforts are found in data available through the National Center for Education Statistics (NCES) via its Integrated Postsecondary Education Data System (IPED). NCES is a federal organization used to collect and analyze data related to US education. The data is obtained from each governing educational body. Each year, NCES submits to Congress the mandated report of The Condition of Education. Therefore, the data from this system is highly reliable (NCES website, 2005).

Essentially what our university has learned is that our efforts to recruit and retain African Americans in the BBA program have been successful. The university has become one of the top choices for studying business in the USA among African Americans. The university ranked second in the nation among Public Comprehensive Universities for black enrollment in 1998 and 2000 in undergraduate business programs. Similarly, it ranked second in the nation in those same years for the most degrees earned by black business students.

These rankings are based on these groups of institutions analyzed:

- ♦ National Universities (defined as the 150 Doctoral Intensive Universities, not Historically Black),
- ♦ Public Comprehensive Universities (defined as the 306 Doctoral Intensive, Masters I, and Masters II Institutions not Historically Black), and
- ♦ Historically Black Institutions (defined as the 36 Historically Black Institutions in the prior Carnegie Classifications).

Schools were ranked based upon two years worth of measures for undergraduate enrollment by black students and undergraduate business degrees earned by black students. Further detailed rankings of bachelors' degrees earned by black students at Public Comprehensive Universities were obtained for seven business degree classifications offered by our university's College of Business. The Classification of Instructional Program (CIP) code designation is used by NCES to separate business disciplines. The research also used The Carnegie Classification of Institutions of Higher Education which is a report classifying all accredited degree-granting colleges and universities in the United States. It is widely used as a basis for comparison of colleges and universities. Doctoral Intensive Universities offer a wide variety of baccalaureate programs and are committed to graduate education through the doctorate. They award at least ten doctoral degrees/1 per year across three or more disciplines, 2 or at least 20 doctoral degrees per year overall. Masters I institutions are offer a wide variety of baccalaureate programs and graduate education through the master's degree. They award 40 or more master's degrees per year across three or more disciplines. Masters II institutions offer a wide variety of baccalaureate programs and graduate education through the master's degree. They award 20 or more master's degrees per year (NCES website, 2005). The rankings by degree and enrollment are shown in Tables 1-3.

Table 1: 1998 & 2000 Ranking by Degree Classification for Public Comprehensive Universities

Degree Classification (CIP Code)	Ranking Among Black Students for Institution	Ranking Among All Students Examined
Business Degrees (52)	2	28
General Management Degrees (52.0201)	18	85
Logistics Degrees (52.0203)	1	2
Accounting Degrees (52.0301)	8	69
Business/Managerial Economics Degrees (52.0601)	3	9
General Finance Degrees (52.0801)	1	7
MIS Degrees (52.1201)	1	13
Marketing Management Degrees (52.1401)	1	15

Table 2: 1998 & 2000 Black Student Enrollment in Business for Public Comprehensive Universities for CIP 52		
1	CUNY Bernard M Baruch College	1677
2	Georgia Southern University	1600
3	Eastern Michigan University	969
4	University of Louisiana at Monroe	953
5	University of North Carolina at Charlotte	953
6	University of Akron Main Campus	932
7	Indiana University-Purdue University-Indianapolis	876
8	Middle Tennessee State University	837
9	University of North Carolina at Greensboro	823
10	University of Central Florida	817

Table 3: 1998 & 2000 Black Student Degrees Earned for Public Comprehensive Universities for CIP 52		
1	CUNY Bernard M Baruch College	475
2	Georgia Southern University	226
3	Chicago State University	195
4	Florida Atlantic University-Boca Raton	195
5	California State University-Dominguez Hills	142
6	University of North Carolina at Charlotte	133
7	CUNY Brooklyn College	124
8	Rutgers University-Newark	121
9	Eastern Michigan University	108
10	Troy State University-Main Campus	103

WHY OUR MARKETING PLAN WORKED

As our university and college of business continue efforts to improve recruitment and retention of our BBA students, it is worth analyzing our successes in retaining African Americans. Our university's success can be programs like Upward Bound, the McNair Scholarships, established Greek programs, a substantial African American community, a high percentage of students enrolling from a 100 mile radius, and increased awareness of administrators, faculty and staff to the needs of minority students. Also, the athletic football program made history by winning six NCAA I-AA National Football Championships – 1985, 1986, 1989, 1990, 1999, and 2000 – a record unequalled in the Division. Also, the college was designated the first regional university in the state in 1990. It was designated a Carnegie Research I Institution in 2005. These two changes likely resulted in more minority students being attracted to the universities. The College of Business developed student professional organizations in every discipline. These student chapters provide many membership opportunities. Similarly, our College of Business developed a tutoring center, annual student awards by discipline, honors societies, a summer McNair research writing competition, and an annual "welcome back" student celebration during the first week of fall classes. In addition, the B-school has recruited six African-American faculty members by 2005.

Further similarities can be seen through comparison of the top 10 institutions on Carnegie Classification, location in the USA and commuter student type.

IMPLICATIONS AND FUTURE RESEARCH

One likely fact that partly explains why our university has been so successful in recruiting and retaining minority students is this. Our university is one of the only Carnegie I Institutions in the Southeast USA which offers a traditional large residential (as opposed to commuter) student community. Since we market ourselves as a student focused "big school with a small school environment" we have likely attracted many students who choose us over the more urban, commuter type schools. Also, our statewide Hope Scholarship Program offers tuition free education and a book allowance as long as a student maintains a "B" average. Similarly our yearly in-state tuition ($3,152.00) offers exceptionally good value.

Future research needs to be done on retention rates among minorities from freshman year to sophomore year and beyond. We intend to do this. As our Board of Regents changes its budget allocation to reflect gain/losses in retention for ALL public colleges and universities in the state, this issue of retention becomes even more important for all of our students.

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AN INTERPRETIVE BUSINESS STATISTICS COURSE ENCOMPASSING DIVERSE TEACHING AND LEARNING STYLES

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ABSTRACT

The purpose of this paper is to describe the major elements of a redesigned introductory business statistics course based on a learner-centered approach to teaching. Diverse learning styles are recognized and multiple teaching styles are incorporated to improve student learning. The redesigned course focuses on the interpretation and implications of statistical results through real business problems and data while relegating the mechanical steps of computation via formulae to the background. The philosophy that "students are responsible for their education" is embraced; thus, a mastery approach to learning was adopted utilizing pre-lecture, post-lecture and lab web quizzes all with multiple attempts allowed. Cooperative learning serves as a common thread in the course through the use of student teams in lectures, labs and two project assignments. Team projects require students to create business reports in which all statistical jargon is translated into everyday language.

INTRODUCTION

The redesigned introductory business statistics course described in this paper is a result of efforts focused on meeting the concerns of three primary constituents: students, instructors, and central administrators. Students voiced their concerns via course evaluations. Many viewed the previous course content as dull and mechanical without direct application to real business problems. Instructors teaching the course expressed concern and frustration that students spent most of their time struggling to learn the mechanics and usually not gaining mastery of basic statistical concepts and their use. Central administrators were concerned about improving student retention for various university gateway courses that included the introductory business statistics course. To address these concerns the authors adopted an interpretive, learner-centered approach and redesigned the introductory business statistics course. The major elements of the redesigned course and the interpretive approach to teaching upon which they are based are described below.

The move to alternative approaches in introductory statistics classes is well established in mathematics and statistics departments, but little is known about how they are integrated into other disciplines including business (Moore, 1997a; Garfield, Hogg, Schau, & Whittinghill, 2002). The American Statistical Association (ASA) funded program "Guidelines for Assessment and Instruction in Statistics Education" (GAISE) created two draft reports of recommendations for introductory statistics courses at the college level and statistics education in Pre K-12 years (http://it.stlawu.edu/~rlock/gaise/). While not specifically aimed at business statistics, these draft reports contain some of the features in our redesigned course. The Making Statistics Effective in Schools and Business (MSESB) group has held conferences since 1986 (http://www.msmesb.org/). While many papers presented at these conferences encourage interaction between teachers and students as they learn, the overwhelming majority of the conference papers deal with how to best teach a specific topic. Only two articles contain individual features of our redesigned course.

Our new approach to teaching business statistics is learner-centered and focused on intuitive interpretations of computer generated statistical output with heavy emphasis on addressing real business problems. It is based on how business students actually use statistics in higher-level business courses and how they will use statistics in the business world. As noted in the heavily cited article by Felder and Silverman (1988): "Students learn in many ways . . . Teaching methods also vary . . . Mismatches exist between common learning styles of engineering students and traditional teaching styles of engineering professors." We have witnessed a similar phenomenon in teaching statistics at a business school. Felder and Silverman (1988) classify preferred learning styles into four dimensions: (1) sensory/intuitive, (2) visual/verbal, (3) active/reflective, and (4) sequential/global. These four dimensions focus, respectively, on the way people perceive the world, the way people receive information, the mental process by which perceived information is converted to knowledge, and the manner in which people understand and master the material. Teaching styles are also classified by Felder and Silverman (1988) into four dimensions according to how well they address the four corresponding learning style components. These components include: (1) content can be concrete/abstract, (2) presentation can be visual/verbal, (3) student participation can be active/passive and (4) perspective can be sequential/global. When we redesigned the course, we attempted to incorporate multiple teaching styles to match students' diverse learning styles in the hope of creating an optimal learning environment for most (if not all) students.

In an era in which knowledge has an increasingly shorter half-life, the college educational experience must encourage students to become proficient life-long learners. In a recent article, Petocz and Reid (2003) studied the relationships between students' conceptions of learning statistics and their conceptions of teaching statistics. Students' conceptions of learning are classified into "doing," "collecting, "applying," "linking," "expanding," and "changing" while their conceptions of teaching are categorized into "providing essentials," "explaining ideas," "linking concepts," "anticipating learning needs," and "catalyst for open-mindedness." Thus, students demonstrated a range of conceptions of learning from limiting to expanding. Students expressed a range of ways they experienced teaching, and their experience on learning and their conceptions on teaching were related. One implication of this finding for statistics pedagogy is that the design of a total learning environment must acknowledge these variations, and provide activities and assessment that encourage students to change the way they think about learning and teaching statistics toward more inclusive levels. These authors argue:

> It is easy to construct classroom activities and assessment tasks that cater for the lower levels of learning statistics and that sit well within the realm of the lowest level of teaching statistics. However, the same question set in a specific situation where students are asked to explain the *meaning* of these observations and summary statistics for the *people* involved (such as a client or a colleague) immediately shifts students' focus. This sort of question also implies a more reflective style of teaching rather than the provision of simple definitions and worked solutions in class, and technically-focused assessment questions that are so often the result of time pressures, constraints in content, and ease of marking (Petocz & Reid, 2003, pp. 50-51.)

To promote the highest level of learning, they encourage teachers to influence students' conceptions of teaching by moving the focus of teaching efforts from the essentials toward supporting students as they learn independently, holistically, and beyond the arbitrary boundaries of the subject. This change in focus encourages students to raise their expectations of themselves and adopt a more inclusive view of their own learning. Heeding this advice, our redesigned course includes incentives to motivate students to take responsibility for their own learning. The major theme and philosophy of our redesigned course is that "Students must take responsibility for their education and instructors must assume the new role as facilitators of learning in a cooperative learning environment in addition to the traditional role as deliverers of knowledge."

STUDENT LEARNING CONCERNS

Previously the business statistics course was taught using a traditional calculation-based approach we believed contributed to our students' poor understanding of the linkages between statistics concepts and applications. Many current textbooks in business statistics rely on material that originated in the field of mathematical statistics. Thus, they place too much emphasis on calculations based on equations and formulae and not enough emphasis on interpretation and application. Business students exerted tremendous effort learning the mechanics of computing the various statistics with hand-held calculators and memorizing the recipes of the various testing and estimation techniques, but failed to internalize the concepts behind the mechanics and were unable to apply the concepts to solve real business problems. Students learned HOW to compute various test statistics and perform estimations but failed to understand WHY there was a need to test or estimate and WHAT implications and interpretations could be deduced from the mechanical results. Most of our students will not pursue a degree or a career in statistics. For them statistics is just a tool they will need to become effective managers in their chosen career path. Thus, knowing the WHY and WHAT in statistics is more important for them than learning the HOW.

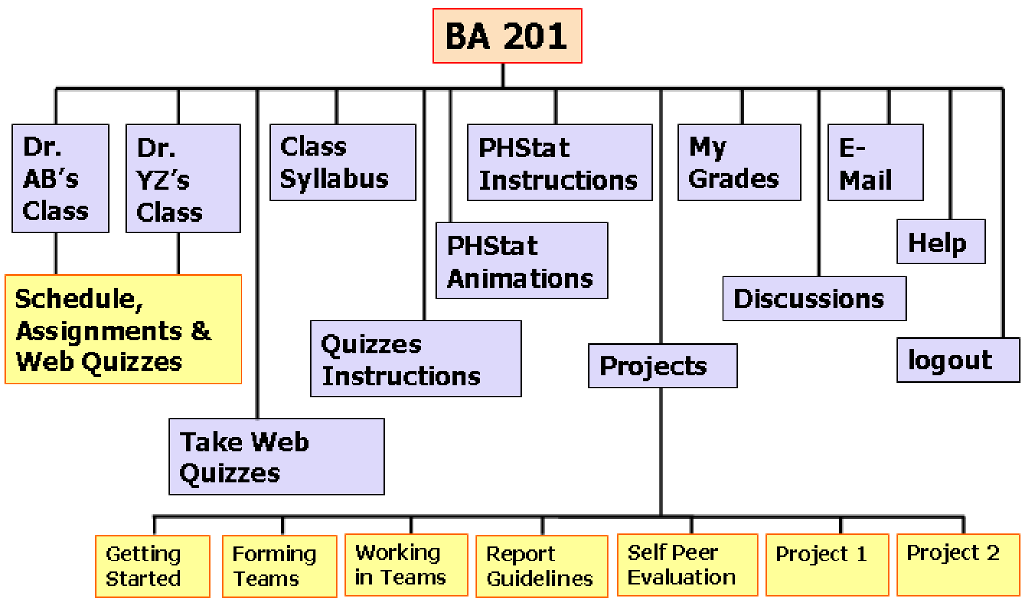
Most business students take the introductory statistics course not because they are interested in the subject, but because it is one of the core courses required to complete their degree. Additionally, the quantitative nature of the subject imposes a high demand on students' analytical thinking ability. Our students in general are ill prepared in this area. Many of our students have minimized the number of mathematics-related courses they have taken. Adding poor self-management skills to the mix creates a recipe for high attrition. We believe high attrition is a by-product or symptom of the root problem. Students are not learning basic statistics concepts, because they do not have the skills to get beyond the formulae and equations. Attrition for this course was further compounded by the lack of an appropriate motivation scheme. Since students were assessed on their performance mainly through traditional exams, there was little or no incentive for them to go beyond learning the mechanics. They could simply memorize the formulae and the mechanics of the various testing and estimation techniques, and regurgitate them during the written exams. Applied problems in the assigned homework were treated as opportunities to refine their mechanical skills. Students made little attempt to internalize the underlying fundamental concepts and be able to solve real business problems.

REDESIGNED COURSE DESCRIPTION

Our redesigned course contains many of the components recommended by Hogg (1992) for a course designed to develop statistical thinking. Equations are introduced only for understanding of concepts. Hand calculations via formulae are not required of students. Instead, Excel® and a specific add-in, PHStat®, are utilized for all statistical computations.[1] Emphasis is placed on interpretation and application of results. This concrete teaching style based on content should help learners who prefer a sensory perception process. On the other hand, the abstract teaching style of discussing equations only for conceptual understanding should benefit learners who prefer an intuitive perception process. Additionally, our design fosters a supportive environment for cooperative learning among students as advocated by Dees (1991), Garfield (1993), Giraud (1997), Hogg (1991), Johnson & Johnson (1975, 1979, 1985), Johnson, Johnson & Smith (1991), Keeler & Steinhorst (1995), Sharan (1980), Vygotsky (1978), Webb (1982, 1983, 1991), and Wood, Bruner & Ross (1976), among others.

WebCT plays a central role in the course (BA201) and allows us to provide many materials via the web that have traditionally been delivered during lecture periods. This enables us to better use the contact time during lecture periods to emphasize concepts, illustrate interpretation of numerical results and demonstrate applications to business problems. The course site map is illustrated in Figure 1. Students meet at least once a week in lecture and once a week in a computer lab. Realistic business problems and data serve as the central connecting thread between activities in lectures and lab sessions. Lecture time is used primarily to provide motivation, discuss appropriate solutions, demonstrate related Excel skills that are needed and provide interpretations for select problems. Lab sessions provide students with hands-on experience with problem solving using Excel generated output. Teams are formed to facilitate cooperative learning both inside and outside the classroom. Teams sit together during lectures and lab sessions to facilitate interaction among members and between other teams. Our approach to teams emphasizes active student participation that benefits both active and reflective learners.

Figure 1: Course Site Map



The redesigned course consists of several major components. Multi-media learning resources with animations created by the authors are available to students 24 hours a day, 7 days a week. These resources (which include PowerPoint slides of material relevant for each lecture as well as animation movie files illustrating the associated procedures for generating the needed Excel and PHStat output) are assigned as reading and delivered to students via WebCT. Students are expected to complete these assignments before class so that they can effectively participate in discussions. Lecture sessions incorporate student-to-student interactions in addition to the traditional instructor-to-student interactions. Intense team projects utilize real data from real problems and require students to present their findings in the form of a formal business report. E-mail and discussion areas are heavily utilized to foster student-to-student and instructor-to-student teaching and learning outside the classroom. Discussion areas (bulletin boards) are created and organized according to their functional aspect in WebCT to foster communications among students, and between students and instructors. They are the first place students go for help with questions on quizzes, lecture materials, and team projects. Each team has its private discussion area used to coordinate activities on the team projects. E-mail is used only for private matters including the turning in of the team project reports.

Quizzes play a significant role in course design and are delivered via the web with immediate feedback to foster timely learning. Quizzes are due weekly to encourage students to take responsibility and discourage procrastination. We use three different types of quizzes. Pre-lecture quizzes are due before a lecture and serve as an incentive for students to complete the assigned reading before attending class. These quizzes contain questions that are at the “knowledge” level in Bloom’s taxonomy (Bloom & Krathwohl, 1956). They only require students to be able to elaborate, encode and retrieve information from memory after completing their reading assignment. Post-lecture quizzes, on the other hand, are designed to ensure that students have internalized the fundamental concepts learned in lecture. These questions are more challenging than the pre-lecture quiz questions and address the higher order “comprehension”, “application”, and “analysis” levels in Bloom’s taxonomy. Lab quizzes are designed to assure students are able to perform the Excel and PHStat procedures to generate output for the relevant analysis. Lab quiz questions cover not only the mechanics of how to use these procedures but also require students to use the output to answer questions associated with business problems. Students are allowed to take the pre-lecture, post-lecture and lab quizzes an unlimited number of times in WebCT®. This self-paced, self-guided mastery approach to learning, which is highly recommended by Pressley and McCormick (1995), enables students who are sensing, active and sequential learners to learn more effectively through drill exercises. The more challenging questions on abstract concepts and fundamental statistical understanding found in post-lecture quizzes, on the other hand, stimulate and challenge intuitive, reflective and global learners.

Students are required to complete two team projects. The first project deals with descriptive statistics and is assigned early in the semester. The second project is focused on confidence intervals and hypothesis tests. We ask students to perform more analysis than can be fit within a five-page business report. Thus, team members must decide what is important enough to be included in the report. The report has the following format constraints: (1) a one page executive summary, (2) five pages in the body and (3) an annotated appendix of unlimited length. Students are not allowed to use statistical jargon (“statistics speak”) in the executive summary and the body of the report. Students’ learning from this project is assessed based on (1) an executive summary, (2) the statistical analysis and interpretation of output, (3) intuition, (4) initiative and the overall presentation in their project reports. Self/Peer evaluations are completed by every member of the team to discourage free-riders while the project web quiz is used to assess the accuracy of the data analyses. A typical project grading scheme is presented in Table 1 and described below.

Table 1: Project Grading Scheme.

Presentation of Results		40 %
Executive Summary	10 %	
Intuition	10 %	
Recommendations	10 %	
Sample Description	5 %	
Charts, PHStat and Appendix	5 %	
Statistical Analysis		40 %
Formulation of variables	10 %	
Analysis of Excel output	10 %	
Interpretation of the Excel output	20 %	
Points for Initiative and Overall Presentation		20 %
Total Project Report Score		100 %

Presentation of Results includes an Executive Summary. This one page project overview includes identification of who wrote the report, who the intended audience is, a brief description of the background and the sample, the major findings (usually involving interpretation of Excel output) and recommendations. Points are given for intuition if the report contains insights about the problem that are not obvious from the questions asked. Report recommendations should be useful and valuable for the intended audience. What is being sampled and the sample size must be clear. Students are to minimize the use of charts and PHStat output in the body of their report. Relevant charts and PHStat output are to be presented in the appendix. The appendix should be annotated to explain the included chart or PHStat output. References in the body of the report are made to the more detailed material in the appendix. Statistical jargon may be used in the appendix. Statistical analysis includes the results of the analysis. The relevant numbers and statistics generated must be identified and analyzed. Students must interpret the output generated by Excel using layman language. Points are given for initiative if the report contains relevant analysis beyond what is required. Our requirement of no statistical jargon is more challenging with the second project, but students rise to the task since they have already had practice in doing so with the first project.

At the end of the semester, we expect students to be able to demonstrate the learning objectives listed in Table 2.

Table 2: Course Learning Objectives	
1.	have a sound understanding of the relationship between a population and a sample, and the stochastic (random) nature of various test statistics
2.	feel comfortable about applying the various statistical techniques learned in the class to real problems
3.	be competent in performing statistical analysis in EXCEL
4.	have become an effective self-learner
5.	have acquired skills needed to work effectively in a team environment
6.	have learned good business report writing skills
7.	demonstrate an understanding of why there is a need to test or estimate
8.	interpret mechanical results from Excel and communicate the implications of results in non-technical everyday language.

REOCCURRING COURSE THEMES

In addition to the major course components described above we continuously emphasize three themes throughout the new course to address our concerns regarding student learning. We believe we serve our students best when we focus our efforts on teaching basic concepts, using real world data and problems to illustrate these concepts and creating mechanisms that encourage students to take more responsibility for their own learning. These three themes are discussed in more detail below.

Basic Concepts

In a business situation, our graduates are more likely to either (a) generate statistics and make inferences using a spreadsheet or statistical package, or (b) be given the results of such analysis to interpret. They are not likely to use the equations and formulae found in business statistics textbooks. While Excel®, SAS®, Minitab® and other such output are increasingly found in statistics texts, equations and formulae still dominate. Texts for business statistics courses increasingly include case studies and real data sets. In our approach, Excel and PHStat are used but not as ends in themselves. We rely on in-class and lab demonstrations to help our students understand how to use these tools. We still introduce conceptual equations to students in order to develop an intuitive understanding of the fundamental concepts, but we never show the actual computation involving the equations. We do not expect our students to be able to perform hand calculations. We do expect them to know what the output means and be able to provide intuitive explanations related to actual problems. This de-emphasis on formulae and heightened emphasis on interpretation attempts to provide a better balance of concrete information (facts, data, results) and abstract concepts (theories, mathematical models) and works in favor of students with both the sensing and intuitive learning styles.

Given the way our graduates will actually use statistics in business situations, it is more important for them to be able to translate abstract statistical concepts into daily non-technical language rather than to use "statistics speak" or statistical jargon. We believe students are more likely to learn and internalize the underlying abstract concepts when they are able to communicate their findings in simple everyday language instead of regurgitation with jargon. Thus, our lectures emphasize the interpretation of the results rather than the process of obtaining the numerical results.

Real World

Felder and Silverman (1988, p. 678) argue the majority of students are inductive learners who "need motivation for learning. They do not feel comfortable with the "Trust me – this stuff will be useful to you some day approach: like sensors, they need to see the phenomenon before they can understand and appreciate the underlying theory." We have found students are motivated to learn to the extent they see a clear linkage between course material and their potential careers after graduation. It is for this reason that data sets and problems encountered by real businesses play a central role in our course. The use of real data demonstrates to students how data are used in the context of solving a business problem. Real data and real business problems are integrated into all aspects of our course including lectures, labs, quizzes, exams and team projects. Data analysis becomes just one step in the process of solving business problems. The mechanical skill of data analysis is of no value to business students unless they gain intuitive insights of the type of analysis that must be performed and can make non-technical interpretations of the results of the analysis.

In our typical lecture, once the facts for an example problem are presented and studied we ask student teams to collectively determine intuitive approaches to solving the problem and decide what statistical methods are most suitable for the analysis. After consensus is reached on the statistical analysis, we demonstrate how the relevant Excel output can be generated. Teams are then asked how the output can be used to intuitively explain the solution to the problem. At this point, students are expected to explain the solution with and without the use of statistical jargon in order to practice looking at technical statistical output and then translating it into everyday language. The combination of fact, real data, result presentation with emphasis on problem-solving methods and in-class discussions and brain-storming allows sensing, active and sequential learners to better perceive and process the knowledge while still challenging intuitive, reflective and global learners.

Responsibility

In our previous "traditionally" taught business statistics course, students held the view that the professor should teach them everything necessary for the course as they sat as isolated individuals not actively connected to the current material or the class. Students percolated their conceptions, learning and expectations of teaching to the lowest level of Petocz and Reid's (2003) classification. Additionally, procrastination in completing all aspects of the course was a major obstacle to learning and retention. The redesigned course attempts to minimize both types of problems by emphasizing active student participation.

We encourage students to become active stake-holders in the course by allocating one half of the course grade to activities entirely under their control via web quizzes and team projects. Web quizzes make up twenty percent of the course grade. Multiple attempts are allowed on these quizzes (but not on major exams) to encourage students to take responsibility for their education by mastering the material. While multiple attempts are allowed, a new set of questions is presented each time a student takes a quiz. Feedback is given on each question to lead the student to the correct answer without revealing it. Importantly, students are more likely to have read the assigned material before lectures since the pre-lecture quizzes must be completed prior to the associated lecture. Rolling deadlines are used for all quiz types to encourage students to be actively connected to the current lecture material when it is being presented, reduce procrastination and achieve just-in-time learning. Thirty percent of the course grade is tied to team projects. Using the self-peer evaluation system, student team members are able to exert both individual and group control over the quality of team projects and the class participation of their teammates.

Class attendance is required. A name card system is used to track attendance. Such a system helps the instructor know the names of the students, and it helps the student to learn and use the names of their team members. Required attendance helps to assure that the class teams can function.

Thus, our students take responsibility for their own education by mastering material found in web quizzes associated with lecture material, by being an active member of a team and by attending and actively participating in class.

SUMMARY

We view our biggest challenge as training students to translate abstract business statistic concepts into daily business language and to understand how these concepts are applied to solve real business problems. Clearly, this challenge requires a more interpretive approach than is traditionally employed to teach business statistics. In redesigning our course, we created new assessment components and used them in addition to the traditional assess-through-exams model. This helps students succeed through continuous input of their efforts from day one. The redesigned course emphasizes cooperative learning because we believe students learn better when they are able to receive help from and provide help to their classmates. Importantly, cooperative learning closely emulates the life-long learning environment in today's work place.

We took an interpretive learned-centered approach since business students will not become statisticians and the traditional method of teaching business statistics relied too heavily on equations and formulae. Our approach emphasizes why a need for a test or estimate existed and what the implications and interpretations are for real business problems.

Student evaluations now indicate an increased appreciation for the course and its use of real world problems and data. They are not spending their time struggling to learn the mechanics and have an improved understanding of why there is a need to test or estimate and what implications and interpretations can be deduced from the mechanical results. Administrators concerns regarding student attrition have also been addressed. The course instructors are now actively engaged in a method of teaching which better fits the expectations of their students, the business community and the instructors of courses which use business statistics as a tool.

ENDNOTES

1 In its position paper to endorse the Mathematical Association of America (MAA) "Guidelines for the Programs and Departments in Undergraduate Mathematical Sciences", the American Statistical Association commented that "Generic packages such as Excel are not sufficient even for the teaching of statistics, let alone for research and consulting."

2 (http://www.amstat.org/education/index.cfm?pf=ASAendorsement&fuseaction=ASAendorsement) Since Excel will be the most readily available software the majority of our students will have access to when they start working, we have decided that using Excel and its add-in is a small price to pay for the convenience it provides.

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AUTHORS' NOTE

The authors wish to thank Cynthia Conn, Associate Director, Academic Assessment, and Paula Garcia, Assessment Specialist, Center for Research, Assessment and Development of Learning in Electronic Environments, Northern Arizona University, for their valuable comments on an earlier draft of the paper. Any remaining errors are ours.

A prior version of this paper was presented as "Using the Internet to Teach Business Statistics from the Classroom," X Seminario Cientifico Acerca De La Calidad De La Educacion: Intermcabio De Experiencias Entre Profesore Cubanos Y Norteamericanos, Havana, Cuba, October 27-31, 2003.

THE VALUE OF LAW-RELATED EDUCATION FOR FACULTY AND ACADEMIC ADMINISTRATORS IN HIGHER EDUCATION: THE CHALLENGE OF EDUCATING EDUCATORS

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ABSTRACT

This paper explores some of the legal issues surrounding employment practices of faculty and academic administrators in higher education and discusses the importance of law-related education for these members of the academic community. The paper examines the conduct of faculty and administrators against the backdrop of history and law, and attempts to foster a greater awareness of the legal challenges affecting them. It is designed to educate and inform faculty and administrators about the legal implications of the decisions they make. As it explores some of the reasons given for nonparticipation in law-related training activities, the paper discusses some of the implications for adult educational programs.

The paper addresses the value of law-related education for faculty and academic administrators in higher education. In addition to providing some sources of law-related information, the paper offers recommendations for practice and suggested ways to achieve the goal of providing the necessary law-related education to faculty and academic administrators in higher education.

INTRODUCTION

Higher education institutions have historically remained insulated from the lawsuits that are prevalent in the American society. There is, however, evidence to suggest that this trend may not continue (Kaplin & Lee, 1995; Toma & Palm, 1999). Thus, college and university faculty and administrators need to become aware of the steady erosion of the traditional protections against lawsuits on which institutions have relied. Faculty and academic administrators must be kept informed of the legal consequences of their actions or inaction. As the scale and complexity of individual institutions have increased, consensus has been more difficult to achieve and the courts have taken a more active role in resolving the inevitable disputes.

Higher education professionals need to understand how this growing litigious environment will impact on their roles. To help academic administrators understand their responsibilities when supervising faculty and dealing with students, this article highlights some of the most important areas of concern. In their roles, they must learn how to deal with a growing number of legal problems. Institutions need to consider whether or not their rules, regulations and policies adequately minimize their exposure to litigation. Deans and department chairs are the ones most often on the front line, with responsibility for legal issues surrounding employment relationships, students, and research, as well as for school and departmental issues such as accreditation and copyrights. Deans' and department chairs' administrative activities must be examined and considered daily in the context of legal issues that might be related to those activities. Most handbooks from human resources personnel or even from legal counsel will not adequately prepare an academic administrator for this job.

Judicial activity has produced a sizable body of school law with which educators should be familiar if they wish to conduct themselves in a legally defensive manner (LaMorte, 1999). Those educators who "'fly by the seat of their pants' or who act on the basis of what they think the law 'should be' may be in difficulty if sufficient thought is not given to the legal implications and ramifications of their policies or conduct." (LaMorte, p. xxi). These various sources point out to us the importance of being knowledgeable about the statutory and case law relating to the major employment issues in higher education.

Changes in structure, such as the modification of traditional selection and acculturation processes, greater recognition of constitutional and contractual rights, the decline of career mobility for faculty, a greater array of service functions for higher education institutions, the increase in both internal and external regulations, and the technology revolution, have contributed to colleges' and universities' increased susceptibility to litigation (Toma & Palm, 1999). As a result, many campuses are changing their affirmative action, sexual harassment, disciplinary, due process, and discrimination policies as recent court cases provide additional guidance in these areas of law.

In any event society is more litigious today than in the past, and an institution's statistical likelihood of facing a lawsuit either as plaintiff or as defendant has increased. That does not mean that law is intruding more on higher education. It means that academic disputants in greater numbers are seeking legal resolutions to their disputes (Hobbs, 1982). As a matter of law, the college or university is generally responsible and liable for the acts of its employees, including members of the faculty and administration. In all of their roles – evaluator, policy maker and curriculum designer—faculty and administrators make critical decisions that can generate litigation (Weeks, 1991).

Although the traditional legislative and judicial deference to academic decision making has eroded over time, it remains pronounced across higher education. It is because of this steady erosion, however, that it has become increasingly important for faculty and academic administrators to not only know what the law is, but also to understand their roles in the context of the procedural safeguards imposed by law (Toma & Palm, 1999). Although higher education may not enjoy the same legal autonomy it once did, colleges and universities, according to Toma & Palm (1999), continue to enjoy great independence. Various means are available by which to identify and guard against legal hazards that can visit liability on an institution. Knowing the law and adopting preventive measures is the best way to cope with the law and to prevent legal challenges and reduce exposure (Weeks, 1991). Injuries that can be avoided should be avoided.

The main purposes for exploring legal issues for academic administrators are: 1) to provide supervisors with the general background necessary to recognize legal issues when they emerge, 2) to encourage active participation in resolving legal issues as they arise, and 3) to prompt administrators to consider implementing preventive law strategies.

EMPLOYMENT ISSUES IN HIGHER EDUCATION: THE COMMON PROBLEM AREAS

The essence of the relationship between employers and employees (the employment contract) is an area of major concern. Closely related to employment contracts are decisions about hiring and promotion, each of which raises issues of equal protection and due process, particularly given constitutional provisions and statutory protections under the anti-discrimination laws. A variety of legal issues are likely to arise in college and university schools and departments. The most common issues related to employment involve contract matters for faculty and staff, constitutional or statutory due process and equal protection, free expression, and concerns relating to hiring, reappointment, promotion and tenure, dismissal, and sexual harassment (Toma & Palm, 1999).

College teaching ranks high on the list of the most prestigious occupations in the United States. “Persons outside academia often perceive the professor’s job as one of quiet contemplation, far removed from the organizational politics, intense competition, and invidious discrimination faced by those who must work in the ‘real world.’” (Leap, 1993, p. 2). This image, however, is not true. Often, the pressures facing an untenured professor, especially female and minority faculty can be enormous. Senior faculty, department chairs, deans and upper-level administrators are not normally thought to harbor prejudices that would lead to acts of illegal employment discrimination. However, court cases illustrate that faculty and administrators at some of the most prestigious colleges and universities in the United States have violated equal employment opportunity laws and a number of them have been immersed in lengthy court battles because of questionable actions or personnel decisions regarding female and minority faculty. Table 1 provides a sampling of some of the leading cases concerning employment issues in colleges and universities.

The process of reappointment, promotion, and tenure at many institutions is shrouded in uncertainty, a condition that is conducive to surreptitious discrimination. The majority of academic personnel decisions are made in closed meetings, and the participants are often sworn to secrecy. Those who cast votes concerning reappointments, promotions, and tenure are rarely required to provide a detailed account of their deliberations. College and university administrators generally believe that reappointment, promotion, and tenure decisions should be the prerogative of peer review committees, department chairs, and deans; not state or federal courts. Institutions should be free to make well-reasoned decisions that reward meritorious performance and reflect institutional needs. That also leaves them "free to make decisions that are based on trivial matters or that otherwise lack careful reasoning and refined judgment as long as such decisions are not affected by a faculty member's race, sex, religion, national origin, age, disability status, or other factors that are protected under federal or state law" (Leap, 1993, p. 5). According to Leap (1993) , the factors that precipitate lawsuits include:

- ♦ A lack of institutional support and resources made it difficult for the faculty member to achieve an acceptable level of performance.
- ♦ The institution failed to adhere to its promotion and tenure standards.
- ♦ Political rather than academic reasons led to the unfavorable promotion or tenure decision.
- ♦ The institution failed to apply promotion and tenure standards in a consistent manner.
- ♦ Peer review committees and college officials harbored racist, sexist, or other prejudices (p. 9).

Table 1: Sampling of Leading Cases Involving Employment Issues in Higher Education

Case Citation	Type of Case
EEOC v. University of Detroit, 904 F. 2d 331 (6th Cir. 1990)	Disability
Lynn v. Regents of the University of California, 656 F. 2d 1337 (9th Cir. 1981)	Tenure
Scott v. University of Delaware, 601 F. 2d 76 (3rd Cir. 1979)	Hiring, Promotion, Tenure
Penk v. Oregon State Board of Higher Education, 816 F. 2d 458 (9th Cir. 1987)	Gender
Delaware State College v. Ricks, 449 U.S. 250 (1980)	National Origin
Lever v. Northwestern University, 979 F. 552 (7th Cir. 1992)	Tenure
Powell v. Syracuse University, 580 F. 2d 1150 (2nd Cir. 1978)	Tenure
Fero v. New York University, 502 F. 2d 1229 (2nd Cir. 1974)	Tenure
Gutzwiller v. University of Cincinnati, 860 F. 2d 1317 (6th Cir. 1988)	Tenure
Bd. of Regents of the Univ. of Neb. v. Dawes, 522 F. 2d 380 (8th Cir. 1975)	Equal Pay

Employment decisions that are not based on individual qualifications or merit, but on immutable characteristics such as race, national origin, religion, gender, disability, or age, are discriminatory under the United States Constitution, state constitutions, and federal and state legislation. Equal Opportunity is the key component in the *Brown v. Board of Education* (1954) decision (Lagemann & Miller, 1996). Discrimination cases brought against public institutions on constitutional grounds are afforded the highest judicial scrutiny. Thus, the accused state actor must have a compelling state interest to justify the discrimination. Another area in which colleges and universities, administrators, faculty, and students continue to confront discrimination is the area of sexual harassment.

THE LAW, THE COURTS, AND HIGHER EDUCATION: AN HISTORICAL PERSPECTIVE

Traditionally, the law's relationship to postsecondary (or higher) education was much different from what it is now. Kaplin and Lee (1995) indicate that there were few legal requirements relating to the educational administrator's functions, and they were not a major factor in most administrative decisions. The higher education community tended to think of itself as removed from and perhaps above the world of law and lawyers. The roots of this traditional separation between academia and law are several.

Higher education was often viewed as a unique enterprise that could regulate itself through reliance on tradition and consensual agreement. It operated best by operating autonomously, and it thrived on the privacy afforded by autonomy. The academic community was not to be disturbed by the involvement of outside agents in its internal governance (Kaplin & Lee, 1995).

According to Kaplin and Lee (1995), not only was the academic environment perceived as private; it was also thought to be delicate and complex. Kaplin and Lee (1995) further indicate that an outsider would, almost by definition, be ignorant of the special arrangements and sensitivities underpinning this environment. Lawyers and judges as a group, at least in the early days, were clearly outsiders. "Interference by such 'outsiders' would destroy the understanding and mutual trust that must prevail in academia" (Kaplin & Lee, p. 5). Kaplin and Lee (1995) further state:

> The special higher education environment was also thought to support a special virtue and ability in its personnel. The faculties and administrators (often themselves respected scholars) had knowledge and training far beyond that of the general populace, and they were charged with the guardianship of knowledge for future generations. Theirs was a special mission pursued with special expertise and often at a considerable financial sacrifice. The combination spawned the perception that ill will and personal bias were strangers to academia and that outside monitoring of its affairs was therefore largely unnecessary (p. 5).

The law reflected and reinforced those attitudes. Federal and state governments generally avoided extensive regulation of higher education. Legislatures and administrative agencies imposed few legal obligations on institutions and provided few official channels through which their activities could be legally challenged (Kaplin & Lee, 1995). The legal oversight that existed was generally centered in the courts.

Kaplin and Lee (1995) further indicate that similar deference from the courts prevailed in the institution's relationship with faculty members. Courts considered academic judgments regarding faculty appointment, promotion, and tenure to be expert judgments suitably governed by the complex traditions of academia. Judges were presumed not to possess the special skill needed to review such judgments. In private institutions faculty members, like students, could assert no constitutional rights against the institutions since the constitution had no application to private activity (Thigpen, 1979). In the public institutions the judicial view was that employment, somewhat like student attendance, was a privilege and not a right. Thus, as far as the constitution was concerned, employment could also be extended or terminated on whatever grounds the institution considered appropriate (Kaplin & Lee, 1995).

As further support for the courts' hands-off attitude, higher education institutions also enjoyed immunity from a broad range of lawsuits alleging negligence or other torts. For public institutions, this protection arose from the governmental immunity doctrine, which shielded state and local governments and their instrumentalities from legal liability for their sovereign acts (Neal, 1979). For private institutions a comparable result was reached under the charitable immunity doctrine, which shielded charitable organizations from legal liability that would divert their funds from the purposes for which they were intended (Kaplin & Lee, 1995).

Traditionally, the immunity doctrines substantially limited the range of suits maintainable against higher education institutions. And because of the courts' hands-off posture, the chances of prevailing in suits against either the institution or its officers and employees were minimal (Neal, 1979). Reinforcing these limitations was a more practical limitation on litigation. Kaplin and Lee (1995) note that before free legal services were available, few of the likely plaintiffs—faculty members, administrators, and students—had enough money to sue.

ACADEMIA AND THE LAW: A NEW REVOLUTION

Legal issues involving higher education have grown significantly over the past few decades. For example: In 1961, just 50 colleges had legal counsel offices. Most of them employed only one lawyer. By 1981, the National Association of College and University Attorneys, to which most lawyers who practice higher education law belong, reported having 2, 058 members. Today, the association's membership totals more than 3200 lawyers (Ruger & Bickel, 2004). Ruger and Bickel (2004) indicate that "from academic freedom to technology transfer, legal issues now reach into almost every corner of campus life" (p. B1).

Kaplin and Lee (1995) report that since the mid-twentieth century, events and changing circumstances have worked a revolution in the relationship between academia and the law. The federal government and state governments have become heavily involved in postsecondary education, creating many new legal requirements and new forums for raising legal challenges. Students, faculty, other employees, and outsiders have become more willing and more able to sue postsecondary institutions and their officials. Courts have become more willing to entertain such suits on their merits and to offer relief from certain institutional actions, according to Kaplin and Lee. The most obvious and perhaps most significant change to occur since World War II has been the dramatic increase in the number, size and diversity of postsecondary institutions. But beyond the obvious point that more people and institutions produce more litigation is the crucial fact of the changed character of the academic population itself (Kaplin & Lee). The GI Bill expansions of the late 1940s and early 1950s and the "baby-boom" expansion of the 1960s brought large numbers of new students, faculty members, and administrative personnel into the educational process. In 1940 there were approximately 1.5 million degree students enrolled in institutions of higher education; by 1955 the figure had grown to more than 2.5 million and by 1965 to more than 5.5 million; and by 1992 the number of students had increased to nearly 14.5 million, according to Kaplin and Lee (1995). The expanding pool of persons seeking postsecondary education prompted the growth of new educational institutions and programs, as well as new methods for delivering education services. Great increases in federal aid for both students and institutions further stimulated these developments (Kaplin & Lee, 1995).

As new social, economic, and ethnic groups entered this broadened arena of higher education, the traditional processes of selection, admission, and academic acculturation began to break down. Because of the changed job opportunities and rapid promotion processes occasioned by rapid growth, many persons new to the academy did not have sufficient time to learn the old rules. Others were hostile to traditional attitudes and values because they perceived them as part of a process that had excluded their group or race or sex from access to academic success in earlier days. For others in new settings—such as junior and community colleges, technical institutes, and experiential learning programs—the traditional trappings of academia simply did not fit (Kaplin & Lee, 1995).

As a broader and larger cross section of the world passed through colleges and universities, institutions became more tied to the world outside of academia. Government allocations and foundation support covered a larger share of institutional budgets, "making it more difficult to maintain the autonomy and self-sufficiency afforded by large endowments" (Kaplin & Lee, 1995, p. 7). Competition for money, students, and outstanding faculty members focused institutional attentions outward. According to Kaplin and Lee (1995):

> As institutions engaged increasingly in government research projects, as large state universities grew and became more dependent on annual state legislative appropriations, and as federal and state governments increasingly paid tuition bills through scholarship and loan programs, postsecondary education lost much of its isolation from the political process. Social and political movements—notably the civil rights movement and the movement against the Vietnam War—became a more integral part of campus life. And when these movements and other outside influences converged on postsecondary institutions, the law came also (pp. 7-8).

In the 1980's the development of higher education law continued to reflect, and be reflected in social movements in higher education and in the world outside of the campus. Various trends and movements begun in the 1970's and extended in the 1980's have materially altered higher education's relationship to the outside world and "have carved new features into the face of higher education law" (Kaplin & Lee, 1995, p. 8).

Unlike the old days of "self-regulation," when institutions governed their actions by tradition and consensus, this new development has spawned an increase in institutional guidelines and regulations on matters concerning students and faculty. It has led to the adoption of grievance processes for airing complaints. By creating new rights and responsibilities or making existing ones more explicit, the impact has been to give members of campus communities more opportunities to press claims against one another.

Both the state and federal governments have increased the scope and pervasiveness of regulation of postsecondary education through the 1990's and into the twenty-first century. At the state level, demands for assessment and accountability persist, and new pressures are placed on research universities to demonstrate their devotion to teaching and service. At the federal level, reformation of the federal student assistance programs and declining reliance on regional accrediting associations to certify the eligibility of institutions for participation in federal student aid programs have changed long-term relationships among these organizations and institutions of higher education (Kaplin & Lee, 1995).

Closely related to government regulations of postsecondary education is the issue of government financial support. Where once the trend was toward increasing aid at federal and state levels, both for students and institutions, the trend is now reversing. As governmental funds are shrinking, colleges and universities are drawn further into the political process in a scramble for funds. Kaplin and Lee (1995) indicate that as the burden of diminishing support is perceived to fall on minority and low-income students, whose numbers will decrease if governmental aid is not forthcoming, or on the minority and women faculty newcomers most subject to layoffs prompted by budget cuts, new civil rights issues are emerging.

The technology revolution on college and university campuses is yet another trend that has legal ramifications (Kaplin & Lee, 1995; Raskin, 2000). The use of computers creates new issues of privacy, copyright disputes, and free speech concerns (Raskin). Similarly, as a result of private industry's interest in university research and the universities' interest in private sources of funding for research efforts, new alliances have been established between the campus and the corporate community (Kaplin & Lee).

In addition to these new trends, the post-World War II movement toward diversity in higher education has continued. The growth of institutions and expansion of student bodies has brought more diversity of students and more special educational programs to serve their needs.

EDUCATING EDUCATORS: THE VALUE OF LAW-RELATED EDUCATION

Although higher education institutions have historically remained insulated from lawsuits, there is evidence to suggest that this trend may not continue (Barr, 1988; Kaplin & Lee, 1995; LaNoue & Lee, 1987; Toma & Palm, 1999). Thus, college and university administrators need to become aware of the steady erosion of the traditional protections against lawsuits on which institutions have relied. Faculty and academic administrators must be kept informed of the legal consequences of their actions or inaction.

The study of higher education law is really about the law as it affects the higher education community. There are relatively few significant laws, administrative regulations or judicial opinions that have been written solely for higher education. The past two decades have witnessed an extraordinary proliferation in legislation and judicial opinions impacting higher education. Many of these laws, regulations and opinions affect not only academia, but other institutions in society as well (Edwards & Nordin, 1979). See Table 2 for a list of some of the more prominent federal laws affecting employment issues in higher education.

Table 2: Federal Laws Affecting Employment Issues in Higher Education

Americans with Disabilities Act	42 U.S.C. § 12101 et seq.
Title VII of the Civil Rights Act of 1964	42 U.S.C. § 2000e et seq.
Age Discrimination in Employment Act	29 U.S.C. § 621 et seq.
Section 504 of the Rehabilitation Act of 1973	29 U.S.C. § 794
Equal Pay Act (Fair Labor Standards Act)	29 U.S.C. § 206(d)
Title IX of the Educational Amendments Act of 1972	20 U.S.C. § 1681 et seq.
Executive Order 11246	30 Fed. Reg. 12319
Executive Order 11375	32 Fed. Reg. 14303
Section 1981	42 U.S.C. § 1981

During the last thirty years, the field of education law, which has to do with the rights of students, has expanded to an almost startling degree (Seitz, 1972). The same can be said about the expansion in the area of rights of faculty. It is to a large extent the expansion in these two areas that has made education law a truly new specialty, which has prompted renewed study in a significant way (Toma & Palm, 1999).

Faculty and academic administrators must be educated about the legal implications of the decisions they make. They must also develop an enhanced awareness of the legal challenges affecting them in the wake of ever changing laws and regulations. The successful faculty and academic administrator should understand the law sufficiently to be able to develop policies that will assist in avoiding litigation to the extent possible. Academic administrators need to be aware of topics such as hiring, academic freedom, promotion and tenure, discipline and dismissal, open meetings and records acts, copyrights and others. It is not always necessary to be an expert in these matters. Instead, academic administrators need to know which persons on campus have appropriate expertise and when to turn to them with questions. They need to know when to consult the institution's legal counsel, who presumably has been retained to develop a broader understanding of the legal issues that frequently occur in higher education.

Academic administrators are often called upon to approve procedures that can deeply affect practices in areas such as hiring, promotion, and tenure that often involve legal issues. Thus, it is important that academic administrators have the background that allows them to recognize potential legal problems before they arise and as they arise. They also need to develop the ability to ask the appropriate experts the right questions in an attempt to resolve legal problems (Toma & Palm, 1999). When academic administrators and faculty members are unaware of their responsibilities, they may not provide adequate services to students, leaving the schools open to criticism, complaints and litigation (Koch, 1997).

According to Edwards and Nordin (1979), the real issue is not simply the proliferation of laws, regulations, and judicial opinions affecting higher education, but rather the nature of the impact of these laws, regulations and opinions on the academic community. These laws, regulations, and opinions often have the effect of altering the educational mission of institutions of higher education, adversely affecting relationships among faculty, students and administrators on campus, and substantially increasing the operating costs of colleges and universities. The other side of the coin, according to Edwards and Nordin, is that the increase in laws, regulations and court opinions has often produced greater protections for the rights of individual faculty members and students and even the public-at-large.

A knowledge and understanding of laws relating to higher education is necessary to enable administrators to apply legal decisions and processes to the academic community and all its constituents. Because education law is constantly evolving, careful attention must be given to the education of those affected by such laws. Continuous updating of legal knowledge of the academic community is a significant challenge, but a necessary undertaking in today's litigious society (Goellnitz, 1993). Lawyers need not be alarmed that the "do it yourself" trend in the education law field will deprive them of business. On the contrary, the more that faculty and academic administrators know about education law, the more likely they are to know when legal professionals are needed. A sensitization to the legal parameters of professional activities is important for accepting professional responsibility.

SOURCES OF LAW-RELATED INFORMATION

Academic administrators and faculty are fortunate that they have several excellent sources of information available on higher education law. The literature is very rich in this area. The most comprehensive treatise on the subject is *The law of higher education* by Kaplin and Lee (1995). This text explores the entire range of issues in higher education law. Other major resources are *The academic administrator and the law: What every dean and department chair needs to know* by Toma and Palm (1999) and *Higher education and the law* by Edwards and Nordin (1979). *The Yearbook of Education Law* annually reviews developments in higher education law. Additionally, there are several newsletters available by subscription that provide monthly, bimonthly, or quarterly updates on current developments in higher education law, explaining current case decisions in the courts and their potential application and impact on colleges and universities (Toma & Palm, 1999). One leading publisher of educational law-related newsletters is College Administration Publications, Inc. College Administration Publications also conducts conferences and workshops on topics of interest to faculty and administrators in higher education.

The *Journal of College and University Law* is an excellent scholarly journal that carries articles on current issues in higher education law. The articles in this journal provide both theoretical and practical advice to readers. It can be found in most law libraries and in the offices of legal counsel at many colleges and universities (Toma & Palm, 1999). Similarly, law reviews – journals edited by law students that include theory focused articles by both law students and legal scholars, and education journals collected in the ERIC database routinely publish articles related to legal issues at colleges and universities (Toma & Palm). Toma and Palm indicate that articles on law in education journals are generally more user-friendly and written more for non-lawyers than articles in law reviews.

According to Toma and Palm (1999), there are several national organizations – the National Association of College and University Attorneys (NACUA), the College and University Personnel Association (CUPA), the National Association of Student Personnel Administrators (NASPA), the American College Personnel Association (ACPA), for example—that disseminate updates on legal issues of note to academic administrators. These organizations often produce monographs or edited collections covering important issues in higher education law. These publications generally take a practical approach to legal issues and are typically written for the non-lawyer.

Koch (1997) notes that in-service training is probably the most important tool that schools have for helping faculty to increase their professional knowledge. It is important to note, however, that liability cannot be removed from the process of educating students. Therefore, it is important that administrators remain vigilant with regard to changes in the law as they occur and work to implement appropriate changes within the institution to limit this liability.

Koch (1997) believes that it is important for academic administrators to be aware of current trends in liability that may impact colleges and universities and to continuously monitor sources of law for changes. Administrators would be well advised to stay abreast of these changes through appropriate legal research and training. They should maintain clarity of understanding of the legal relationships among faculty, students, and the institution. Administrators need to periodically evaluate all instructional policies and practices with a view toward reducing risks. Administrators should also take note of events and incidents occurring on their campuses that may later be viewed as notice of a foreseeable risk of liability (Koch).

IMPLICATIONS FOR ADULT EDUCATIONAL PROGRAMS

According to Merriam and Brockett (1997), "defining adult education is akin to the proverbial elephant being described by five blind men: it depends on where you are standing and how you experience the phenomenon" (p. 3). An often quoted definition of adult education proposed by Bryson suggests that adult education consists of all the activities with an education purpose that are carried on by people who are engaged in the ordinary business of life (Merriam & Brockett). Merriam and Brockett quote Courtney as offering a definition that involves an intervention whose immediate goal is change in knowledge or in competence. They also quote Darkenwald and Merriam as providing a more specific definition: "Adult education is a process whereby persons whose major social roles are characteristic of adult status undertake systematic and sustained learning activities for the purpose of bringing about changes in knowledge, attitudes, values, or skills" (Merriam & Brockett, p. 7). Houle, they argue, views adult education as a process involving planning by individuals or agencies by which adults alone or in groups, or in institutional settings improve themselves or their society. Knowles, according to Merrian and Brockett, identifies adult education broadly as "the process of adult learning" (p. 7). Regardless of the choice of definitions, any training activity involving faculty and academic administrators in colleges and universities denotes adult education. Thus, the approaches taken must be consistent with the needs of adult learners.

Getting faculty and academic administrators to participate in adult law-related educational activities will be the challenge. Because 69.4 percent of participants in a study conducted by Wilson (2001) indicated that the level of law-related training they received from their current employer was inadequate, and 92.3 percent indicated that having knowledge of relevant law is important for faculty and academic administrators, it appears that the opportunity to provide such training is ripe among colleges and universities. The latest government figures of participation in the United States show that seventy-five million adults aged sixteen and over were engaged in part-time educational activities (Merriam & Brockett, 1997). The proportion of postsecondary students who are adult learners, beyond the traditional college-age group of eighteen to twenty-four years old, has increased markedly (Kaplin & Lee, 1995).

Hundreds of studies have given us various estimates as to the number of participants and lists of reasons why adults do or do not participate, according to Merriam and Caffarella (1991). Preparation for work with adult learners ranges from on the job training to formal graduate course work. It is important to understand how adult learners learn best. Merriam and Caffarella (1991)cite adults' busy life styles as a major concern. They found that most adults spend at least eight hours a day working and often again as many hours attending to family, household, and community concerns. Among the reasons given for nonparticipation, according to Merriam and Caffarella (1991), are:

- ♦ Not enough time to participate in educational activities
- ♦ Individual and personal problems (including cost)
- ♦ Too difficult to succeed in educational activities
- ♦ Against the social norms to participate in educational activities
- ♦ Negative feelings toward the institution offering instruction
- ♦ Negative experiences with educational activities
- ♦ Results of educational activities not valued
- ♦ Indifference to educational activities
- ♦ Unawareness of educational activities available (p. 87).

Research has demonstrated that removing perceived barriers to participation in adult education, such as making a program cost-free or offering an onsite class, has little overall effect on increasing participation. Deeper and subtler conditions shape participation. Participation is not solely a matter of individual motivation, although that does play a role, according to Merriam and Brockett (1997). Motivating senior college and university administrators to provide learning opportunities and encouraging faculty and academic administrators to attend is a worthy undertaking. Efforts should be made to strongly encourage, if not require, attendance at appropriate on-site law-related training sessions.

Most law-related education conferences have been under the sponsorship of one or more professional associations. Similarly, most of the past and current periodicals and a great many influential books about law-related education would not exist were it not for professional associations. Such associations have often worked with foundations and other funding sources to develop innovative experiential programs that serve adult learners in innovative ways. At various times and places, associations have been a force in helping to shape governmental policy on adult education (Merriam & Brockett, 1997). In assessing the impact of professional associations as a component of the law-related education process, we can conclude that such associations have served as a major outlet for professional development and socialization for faculty and academic administrators over the years. However, there is no assurance that those who need law-related training the most will voluntarily receive it.

Goellnitz (1993) refers to a 1985 survey of educators, which concluded that nearly half of the respondents felt that they were inadequately informed about educational legal issues. In the Wilson (2001) study, 69.4 percent of respondents indicated that the level of law-related training they received from their employer has been inadequate. Although 92.3 percent of respondents indicated that having knowledge of relevant law is important for faculty and academic administrators in institutions of higher education, 64.6 percent reported having regularly received no law-related training in their current position. And less than four percent regularly received more than five hours of law-related training per year. When asked if they remain current in their awareness of laws related to their areas of concern, only 40.2 percent said that they did. Interestingly, 17.7 percent of respondents indicated that they did not know where to go for legal advice and information at their institution. The first step to be taken to rectify this situation is to assess the needs of faculty and academic administrators to determine what education is lacking, and then to provide such education, according to Goellnitz. Based on participant responses, the Wilson study has identified an obvious interest in and need for law-related training on college and university campuses.

Perhaps the best way to achieve this goal of providing the necessary education is as part of a planned activity, perhaps as part of a required orientation program. All new faculty and academic administrators would be required to have this training upon being hired at any public institution of higher education. This would eliminate the need to try to provide the necessary motivation to get faculty and administrators to attend law-related conferences and workshops sponsored by various professional associations. It would also take away some of the excuses that are most often used as reasons for not participating in adult education activities.

No matter how well and extensively trained faculty and academic administrators are, there will undoubtedly always be the need to continue their training on some periodic basis. The society is in a state of constant change with many of the changes reflected in institutions of higher education and more directly in the classroom. Other societal changes and pressures brought on by new laws and court decisions show up in the form of requirements for faculty and academic administrators as professionals. The net effect of societal change is an imperative for educational systems to provide mechanisms to help faculty and academic administrators change in order to meet changing conditions in the academic community (Koch, 1997). Thus, mechanisms need to be implemented to ensure that updating occurs on a regular basis on all college and university campuses.

The primary means of teacher updating, according to Koch (1997), is in-service training. In-service training can help faculty and academic administrators to keep informed about new law-related educational research and help them experience issues that impact their profession. Professional development is fundamental, and senior university officials must invest resources in training in order to insure that faculty and academic administrators are adequately prepared.

Koch (1997) indicates that major school districts use in-service training to reach teachers at a low or zero cost, using available experts to communicate research information, new school law, or required strategy implementations. Although Koch's research involved secondary education, the principles are equally applicable in institutions of higher education. According to Koch, effective in-service training must have clearly stated goals, ample time for goal implementation, relevance of content to participants, distinct designation of responsibilities of course providers, a plan of action and continuing revisions and evaluation, as well as funding and appropriate resources for implementation. This framework could provide a foundational basis upon which universities could develop and build appropriate educational programs to meet the needs of the academic community.

RECOMMENDATIONS FOR PRACTICE

Educating faculty and academic administrators needs to continue. The results of the Wilson (2001) study show that there are some obvious knowledge gaps in faculty and academic administrators' backgrounds. Wilson believes that law-related training in constitutional and federal statutory law is essential to avoid costly litigation, to provide appropriate services to students, and to provide law-related professional development to faculty and academic administrators. It is crucial to apprise faculty and academic administrators of the seriousness of this issue. Based upon those beliefs and on the findings of that study, Wilson makes the following recommendations:

- Faculty and academic administrators should receive more in-service training on relevant law-related topics in higher education with a focus on the quality and type of customized training necessary to meet the needs of faculty and academic administrators.
- Curricula for these courses should emphasize the importance of personal and collective liability, as well as the professional responsibility demanded by students, the public, and the courts.
- Follow-up information is a necessity if faculty and academic administrators are to be exposed to sustained awareness of new laws, expected applications, changes, and effects on the academic environment.
- Senior university administrators should encourage members of the academic community to pursue law-related training at the higher education level so as to reduce risks of violating the rights of those working and studying in the academy.
- Senior university administrators should explore other incentives or motivational methods to encourage faculty and academic administrators to change their attitudes about the law and be more responsible about their own knowledge, and actions.

CONCLUSIONS

The dissemination of information needs to continue from professional organizations, government bodies, and other concerned parties. New questions are continually being asked as laws change. And the answers to old questions are constantly being reevaluated. This dissemination of information should take place through a variety of methods, including professional journals, traditional conference sessions, teleconferences, workshops, and internet-based seminars.

The unfortunate result of the findings from the Wilson (2001) study is that the percentages appear to be moving downward. The proportion of respondents who achieved the mastery level of knowledge is much lower than the levels achieved in the Goellnitz (1993) study. These results show a need on the part of colleges and universities to earnestly develop appropriate training programs for faculty and academic administrators to ensure that they receive appropriate law-related training to enhance their level of knowledge of relevant constitutional and federal statutory laws.

An appropriate knowledge and understanding of education law is necessary to enable faculty and academic administrators to apply legal decisions and statutory mandates to the academic community and all its constituents (Goellnitz, 1993). It is important that administrative decisions in higher education are based on knowledge and understanding of constitutional and statutory provisions at the state and federal levels. Consideration should also be given to relevant court decisions, administrative regulations, and internal policies and guidelines. The constantly evolving nature of law requires continuous attention to the education of those affected by such laws. Continuous updating of legal knowledge of the academic community is a tremendous challenge, but a necessary undertaking in today's litigious society.

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FED CONSPIRACY USED IN TEACHING MONEY AND BANKING

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ABSTRACT

This paper examines how a Federal Reserve "conspiracy theory" booklet, ***Billions for the Bankers, Debts for the People****, can be used at the end-of-the-semester in a money and banking course. Readings such as this one are commonly available from various distributors and also exist on various web sites. Much of the knowledge and many of the economic concepts learned during the semester can be applied to this and similar readings to explain how some parts of these conspiracy readings are based on fact, and how the addition of some creative thinking along with these facts can create conspiracy theories.*

INTRODUCTION

There exist a number of publications, many that can be rapidly found by searching the Internet, on the Federal Reserve System (the FED) being a conspiracy of wealthy bankers. It is charged that these bankers (being the same thing as the FED) created, among other problems, wars, recessions/depressions, inflation, and debt in order to increase their profits (American Institute for Economic Research, 2004). These writings are partly grounded in fact, such as the FED being owned by commercial banks. From these facts along with some creative thinking, FED conspiracies have been developed. (Edward Flaherty describes some of the major myths of FED conspiracy theories in *Debunking the Federal Reserve Conspiracy Theories*. Also note that no articles came up using ECONLIT under Federal Reserve Conspiracy.) Fed conspiracy theories are more common in certain parts of the U.S., where there exist more extremist-type groups, such as north of Idaho State University, where I teach. And, the Salt Lake City Federal Reserve Branch has (or have had in the recent past) free pamphlets to debunk these theories. Not all Federal Reserve Banks feel that it is necessary to have these pamphlets.

In this paper, I look at such a reading: *Billions for the Bankers, Debts for the People***,** written by Sheldon Emry, that I have my money and banking class read near the end-of-the-semester and then discuss in class. They discuss how some facts are enhanced to come up with these conspiracy theories. *Billions for the Bankers, Debts for the People* (here after as *BBDP*) was published in 1989 (it appears earlier editions exist) by America's Promise Ministries, Sandpoint, ID. It is not copyrighted, so that "it may be reproduced in whole or part for the purpose of helping the American people" (Emry, 1989, p 1). *BBDP* was easily found on the Internet and seems to be one of the classic FED conspiracy readings.

BILLIONS FOR THE BANKERS, DEBTS FOR THE PEOPLE

When the students read *BBDP*, they are suppose to critically analyze these theories from what they have learned in class during the semester and discuss what part the these theories are true and what part really does not make sense from what we covered during the semester. *BBDP* is about 26 pages long, so below I will cover only some of the major points of the booklet. In what follows, I have typed in bold some quotes from *BBDP*, followed by the kind of analyses that I expect from the students. (Note that I use Mishkin's *The Economics of Money, Banking, and Financial Markets* as the class textbook). In this analysis of *BBDP*, I have tried to rely heavily on Mishkin's textbook, since it has material that students should be able to use from being in class during the semester.

The Great Depression and World War Ii

An adequate supply of money is indispensable to civilized society. ... Remove or even reduce the supply below that which is necessary to carry on current levels of trade, and the results are catastrophic (Emry, 1989, p. 3).

Here, Emry states a basic, accepted economic principle that money serves as a medium of exchange and without it, we would have a barter economy, which would greatly reduce economic output.

In the early 1930's, Bankers, the only source of new money and credit, deliberately refused loans to industries, stores and farms. Payments on existing loans were required however, and the money rapidly disappeared from circulation. Goods were available to be purchased, jobs waiting to be done, but the lack of money brought the nation to a standstill. By this simple ploy America was put in a "depression" and the greedy Bankers took possession of hundreds of thousands of farms, homes, and business properties (Emry, 1989, p. 4).

It is true that economists generally attribute the fall of the money supply in the early 1930's as a leading cause of the depression. But, it was the Fed failing to act as a "lender-of-last-resort" that led to more bank failures and consequently a fall in the money supply as bankers held on to higher excess reserves and the public increased its holdings of currency due to the increased bank failures (Mishkin, 2004, p. 389). According to Mishkin (2004, p. 421), "the primary reason for the Fed's inaction was that Federal Reserve officials did not understand the negative impact that bank failures could have on the supply of money and economic activity. Friedman and Schwartz report that the Federal Reserve officials 'tended to regard bank failures as regrettable consequences of bank management or bad banking practices, or as a consequence but hardly a cause of the financial and economic collapse on progress.' " Also, according to Mishkin (2004, p. 421), since most of the early bank failures were smaller banks, the 'big-city' bankers viewed this with complacency. Lastly, there was some political infighting at the Fed during this time period.

World War II ended the "depression." The same bankers who in the early 30's had no loans for peacetime houses, food, and clothing, suddenly had unlimited billions to lend for Army barracks, K-rations and uniforms (Emry, 1989, p. 4)!

Most economists would agree that the very expansionary fiscal policy resulting from military spending on WWII ended the depression. However, much of the war was financed through deficit spending, resulting in the U.S. federal government debt as a percentage of GDP reaching an all-time high of over 100 % by 1945 (Baumol and Blinder, 2003, p. 266). Who owned this debt? All kinds of investors, including banks. Legally, banks cannot own stocks, so they did buy some of these U.S. government bonds.

How the People Lost Control of the Federal Reserve

Prior to 1913, America was a prosperous, powerful, and growing nation, at peace with its neighbors and the envy of the world. But - in December 1913, Congress, with many members away for the Christmas holidays, passed what has since been known as the FEDERAL RESERVE ACT (Emry 1989, p. 6).

Prior to 1913 (and actually 1941), the U.S. experienced business cycles that had more and longer recessions. Since WWII, the business cycles have become fewer and less severe at the expense of more inflation (until at least the 1990's), as government became more involved in the economy through both fiscal and monetary policy management. According to Mishkin (2004, p. 336), "in the nineteenth and early twentieth centuries, nationwide bank panics became a regular event, occurring every twenty years or so, culminating in the panic of 1907. The 1907 panic resulted in such widespread bank failures and such substantial losses to depositors that the public was finally convinced that a central bank was needed to prevent future panics." Thus, the U.S. was often not in prosperity before 1913. And, the U.S. standard of living really took off after the productivity increase following WWII. However, as discussed above, the FED unfortunately did fail to act as a "lender of last resort" to the banks in the early 1930's, leading to a large fall in the money supply.

As for the act being snuck in during the Christmas holidays, according to Flanherty (2004), "the silliest of the Federal Reserve conspiracy theories us that the Federal Reserve Act of December 23, 1913 passed illegally. The constitution stipulates that both the House and the Senate must have half their members present, a quorum, to vote on any bill. According to this myth, the Senate voted on the Federal Reserve Act (known as the Currency Bill at the time) deviously in a late night session when most of its members had gone home or had left town for the holiday. This was done to impose the will of a pro-banker minority on the objecting majority." Actually, the bill had been debated since at least the previous spring and the final bill was a compromise of having a banker owned, but publicly controlled FED. (Some, mainly some Republicans, also wanted a banker controlled FED).

The vote was 298-60 in the House on December 22 and 43-25 in the Senate on December 23 (Flanherty, 2004). Of the 27 senators missing, the Congressional Record states that 11 were in favor and 12 opposed (Flanherty, 2004).

The Fed Owns All the Federal Government Debt plus a Multiplier of 15

The Federal Government, having spent more than it has taken from its citizens in taxes, needs, for the sake of illustration, $1,000,000,000. Since it does not have the money, and Congress has given its authority to "create" it, the Government must go to the "creators" for the $1 billion. But, the Federal Reserve, a private corporation, doesn't just give its money away! The Bankers are willing to deliver $1,000,000,000 in money or credit to the Federal Government in exchange for the Government's agreement to pay it back - with interest (Emry, 1989, p. 7)!

The Fed, as we know, is privately owned, but publicly controlled. But, unless it "monetizes the debt," it owns just a relatively small percentage of the Federal Government debt. For example, in 2004, the Fed owned about 9% of the Federal Government debt (Federal Reserve Bank of St. Louis, 2004, p. 17). The Fed pays its member banks, regardless of its earnings, a 6 % dividend (Mishkin, 2004, p. 345). And, since 1947, the rest of the Fed's earnings go to the US Treasury. In sum, while the Fed does create new money over time, it owns a small percentage of the Federal Government debt and its member banks earn only a nominal dividend on their ownership of Federal Reserve stock.

Those United States Government Bonds have now become "assets" of the Banks in the Reserve System which they then use as "reserves" to "create" more "credit" to lend. Current "reserve" requirements allow them to use that $1 billion in bonds to "create" as much as $15 billion in new "credit" to lend... (Emry, 2004, p. 8).

It is true that we have fractional reserve banking, but the actual money multiplier has been more in the neighborhood of around 2 in recent years (Mishkin, 2004, p. 386). Of course, banks still have a cost for their sources of funds, such as paying interest on deposits, maintaining deposit accounts, and borrowing in the money market.

Fed Bankers Manipulates Stock Market to Profit

The Bankers who control the money at the top are able to approve or disapprove large loans to large and successful corporations at the extent that refusal of a loan will bring about a reduction in the price that that Corporation's stock sell for the market. After depressing the price, the Banker's agents buy large blocks of the stock, after which the sometimes multi-million dollar loan is approved, the stock rises, and is then sold for a profit. In this manner, billions of dollars are made with which to buy more stock (Emry, 2004, p. 8).

There are investors in the stock market who try to influence stock prices, although overall abuses are down since the SEC was created in the 1930's. But, banks are not allowed to own stock, due to their substantial price fluctuations (Mishkin, 2004, p. 40).

"Usury": Money Lenders Produce Nothing of Value

When a citizen goes to a Banker to borrow $60,000 to purchase a home or a farm, the Bank clerk has the borrower agree to pay back the loan plus interest. At 14% interest for 30 years, the Borrower must agree to pay $255,931.20. ... (By the way, it is this interest which cheats all families out of nicer homes. It is not that they can't afford them; it is because the Banker's usury forces them to pay for 4 homes to get one!) ... The money-lenders (Bankers), who produce nothing of value, slowly, then more rapidly, gain a death grip on the land, buildings, and present and future earnings of the whole working population. The borrowers have become the servants of the lenders. No wonder God Almighty forbids interest on loans (Emry, 1989, p. 10).

This idea goes back in time that financial intermediation (i.e. banking) is usury, which is an unethical business. However, it is okay for other middlemen to operate, such as merchants. Also, banks have to pay to get the money to lend, largely from deposits or other loans. Notice that Emry's example is a 14 % mortgage. This was probably taken from the late 1970's or early 1980's, when CD interest rates also hit double-digit figures. The high interest rates of the late 1970's/early 1980's were largely due to the high rates of inflation during that time period. In money and banking class, the "Fisher effect" illustrates this point well (Mishkin, 2004, p. 79).

Bankers Triple Interest Rates

By 1981, the Federal debt passed $1 trillion and was growing exponentially as the Banker's [sic] tripled the interest rates (Emry, 1989, p. 12).

As pointed out above, the interest rates rose to such high levels because of the high inflation rates of the time, cause by the Fed's mis-management of monetary policy (Mishkin, 2004, pp. 425-426) along with the supply-side shocks of 1973-74 and 1979. So, the Fed in effect did greatly increase the interest rates (But, it seems clear that this was not their intention). However, starting in around 1982, interest rates began to fall and short-term rates reached 50 year lows in 2003-04, while long-term rates also fell to lows not seen in 40 years. In money and banking class, the students learn that the Fed can control short-term rates, if inflation is not a problem, but it has a much harder time to influence long-term rates (Mishkin, 2004, chapter 5).

Printing More Money Would Not Cause Inflation

If Congress had been "creating," and spending or issuing into circulation the necessary increase in the money supply, THERE WOULD BE NO NATIONAL DEBT, and the over $4 trillion of other debts would be practically non-existent. ... The Federal Congress would spend most of its time and study on the issuance and control of an adequate supply of stable money for the people. ... Some could be used to pay current legitimate expenses of the Federal Government, with the balance paid directly to the citizens. ... Just think - a payment of only $20 to each citizen would put $4 billion of debt-free and interest-free money into circulation. Such a suggestion always scares the Bankers. Their propagandists will immediately cry, "printing press money," and warn that it would be "worthless" and would "cause inflation" (Emry, 1989, p. 14-17).

Of course, we know from history that in cases, creating too much money will cause inflation. A classic case of this phenomenon occurred in Germany during the 1920's (Mishkin, 2004, p. 27). And the US inflation that emerged in the 1970's was in large part caused by the Fed trying to target interest rates while it let the money supply growth get too high (Mishkin, 2004, p. 424).

The Real Cause of Inflation

The truth is their immense usury charges on their "created" credit (our debt) is the sole cause of "inflation." All prices on all industry, trade, and labor must be raised periodically to pay the ever increasing usury charges. This is the ONLY cause of higher prices, and the money-charges spend millions in propaganda to keep you from realizing it (Emry, 1989, p 18).

Most economists will agree that any sustained inflation is largely caused by an over supply of money. "Such evidence led Milton Friedman, a Nobel laureate in economics, to make the famous statement, 'Inflation is always and everywhere a monetary phenomenon' " (Mishkin, 2004, p. 11). And, inflation can be caused by demand or supply side factors, or both. Mishkin (2004) provides a discussion of this in chapter 27.

Fed Conspiracy Authors' Version of History

Abraham Lincoln was the last President to issue such debt-free and interest-free currency (in 1863) and he was assassinated shortly thereafter. ... by an agent of the Rothschild Bank (Emry, 1989, p. 18).

Germany issued debt-free and interest-free money from 1935 and on, accounting for its startling rise from the depression to a world power in 5 years. Germany financed its entire government and war operation from 1935-1945 without gold and without debt, and it took the whole Capitalist and Communist world to destroy the German power over Europe and bring Europe back *under the heel of the Bankers. Such history of money does not even appear in the textbooks of public (government) schools today (Emry, 1989, pp. 18-19).*

Fed conspiracy authors such as Emery will often write versions of history such as the two above. However, it is widely accepted in mainstream history that the Southern Confederate sympathizer Booth shot Lincoln in Ford's Theater and that Germany's pre-WWII economy boomed as result of Hitler's military spending (that is, expansionary fiscal policy).

It is also often written that foreign bankers, such as the Rothschild Bank from Europe, control the Fed and US banks. But, as Mishkin writes, the real power of the Fed comes from the Board of Governors, who are appointed by the President and confirmed by the senate (Mishkin, 2004, p. 340). Each of the 12 district Federal Reserve Banks also has a nine-member board of directors. But since the Banking Act of 1935, they are generally subordinate to the Fed Board of Governors (Luckett, 1984, p. 306). Moreover, the Board of Governors also controls the district Federal Reserve Banks. Six of the nine district Federal Reserve Bank board members are elected by its member banks, with three being bankers and three being non-bankers. The other three are appointed by the board of Governors. But according to Mishkin (2004, p. 345), "usually only a single candidate for each of the six A and B directorships is "elected" by the member banks, and this candidate is frequently suggested by the president of the Federal Reserve bank (who, in turn, is approved by the Board of Governors)." And, "the board sometimes suggests a choice (often a professional economist) for president of a Federal Reserve bank to the directors of the bank, who often follow the Board's suggestion" (Mishkin, 2004, p. 345).

Fed Bankers Cause Social Ills to Confuse People, Etc.

These would-be despots know it is easier to control and rob an ill, poorly-educated and confused people than it is a healthy and intelligent population, so they deliberately prevent real cures for diseases, they degrade our educational systems, and they stir up social and racial unrest. For the same reason they favor drug use, alcohol, racial intermarriage, sexual promiscuity, abortion, pornography, and crime (Emry, 1989, p. 15).

But this MONEY-LENDERS' consPIRACY is as old as Babylon, and even in America it dates far back before the year 1913. Actually, 1913 may be considered the year in which their previous plans came into fruition, and the way opened for complete economic conquest of our people. The consPIRACY is old enough in America that its agents have been, for many years, in positions such as newspaper publishers, editors, columnist, church ministers, university presidents, professors, textbook writers, labor union leaders, movie makers, radio and TV commentators, politicians from school board members to the U.S. presidents, and many others (Emry, 1989, p. 22).

When some few Patriotic people or organizations who know the truth begin to expose them or try to stop any of their mad schemes, they are ridiculed an smeared as "right-wing extremists," "super-patriots," "ultra-rights," "bigots," "racists," even "fascists" and "anti-semites." ... Articles *and books such as you are now reading are kept out of schools, libraries, and book stores (Emry, 1989, p. 24).*

Therefore, to prevent violence or armed resistance to their plunder of America, they plan to register all firearms and eventually to disarm all citizens. They have to eliminate most guns, except those in the hands of their government police and army (Emry, 1989, p. 24).

Any comments on the above passages seem to fit into the realm of sociology more than economics, but their meaning and implications are probably somewhat obvious to the students and could be discussed in class.

A QUESTION ON THE FINAL EXAM

On some of the final exams, I put in the following letter to the editor that appeared in the Pocatello newspaper in the early 1990's and asked the student to discuss it.

> *It never ceases to amaze me how our August congressmen can never seem to see but two solutions to our government money problems. Either they must raise taxes, or they must borrow money from the Federal Reserve bankers.*
>
> *The first solution generally serves only to excite the ire and wrath of their constituents. The second serves only to get us deeper in debt to the bankers, from which there is no hope of escape. It's a non-win situation.*
>
> *Our government is in debt some $2 trillion to the bankers. The bankers on the other hand are in debt to no one. Obvious conclusion -- the bankers must be a whole lot smarter than our government!*
>
> *What, then, is the solution to this problem? We read in Article 1 of the constitution that Congress is empowered to coin money and regulate the value thereof. So there is neither a need to tax the people or to borrow from the bankers. All they need to do is create the money they need and spend it into circulation.*
>
> *When are we going to awake to the obvious truth?*

Virtually all students answer by writing the major point that just creating money to pay off the Federal Government debt is known as "monetizing the debt," and will lead to inflation. Other points made are that the Fed and bankers are not the same and that neither the Fed nor the commercial banks own all Federal Government debt.

CONCLUSION

Reading and discussing *BBDP* in class has been a good exercise for students in a money and banking class. As illustrated above, they can make use of a lot of material covered during the semester to analyze a Fed conspiracy booklet. Of course, a student essay paper (long or short) could be assigned to this topic. A further student exercise could be to have them find on the Internet similar readings on Fed conspiracy for either class discussion or student essays.

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THE ROLE OF TEACHING, SCHOLARLY ACTIVITIES, AND SERVICE ON TENURE, PROMOTION, AND MERIT PAY DECISIONS: DEANS' PERSPECTIVES

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ABSTRACT

The purpose of this study was to investigate the effect of scholarly activities, teaching, and service upon promotion, tenure, and merit-pay decisions for business faculty at both teaching and research colleges in the USA. A survey questionnaire, which requested opinions regarding the role scholarly activities have on promotion, tenure, and merit pay decisions, was sent to deans of business colleges at accredited or AACSB (The Association to Advance Collegiate Schools of Business) candidate schools. Additionally, information was collected regarding techniques utilized for nonproductive tenured faculty, primary purposes of scholarly activities, and the average number of scholarly contributions each year for total faculty. Results showed that there were significant differences regarding merit allocations between teaching and research institutions, accredited and AACSB candidate schools but not between public and private universities. The study also provided a benchmark for assigning appropriate weights for scholarly activities with respect to promotion, tenure, and merit-pay decisions.

INTRODUCTION

Faculty members assume academic roles for many reasons. Lindholm (2004) surveyed professors at a public university. She observed that they generally spoke somewhat passionately about their jobs and appreciated the personal freedom afforded by such employment. In practice, faculty members are appraised on a combination of teaching, research, and service activities. However, evaluation priorities reflect a variety of perspectives regarding institutional policies (Grant and Fogarty, 1998). Hanna et al., (2005) reported that faculty satisfaction or dissatisfaction toward promotion/tenure policies correlated quite highly with availability of research support systems.

For faculty, professional career success depends upon administrative decisions involving tenure/promotion and salary increases. The National Center for Postsecondary Improvement (2000) reported results from a cross-section sample of faculty at four-year Carnegie institutions. To them, tenure was the most important reward/incentive factor with research activities perceived to be more relevant than teaching. Im and Hartman (1997) studied MIS faculty appraisal practices at AACSB schools and learned that research was a major factor used for annual evaluations by deans and chairs. In a sample of 233 professors at six regional state institutions in Tennessee, Tang and Chamberlain (2003) found that length of service, rather than rank and tenure, significantly influenced faculty attitudes toward research. Faculty with 20 or more years of teaching appeared to have the lowest orientation toward research.

PURPOSE OF STUDY

Much has been written regarding research and scholarly activities at the university level. Little information can be found on the emphasis school of business deans give to scholarly activities, teaching, and service with reference to promotion, tenure, and merit pay. Comparisons of teaching vs. research, private vs. public, and accredited vs. AACSB candidate schools regarding these activities may provide some insight into how institutions differed in their decision-making approaches. The following specific research questions were formulated:

1. What is the current status of meritorious scholarly activities in schools of business with reference to promotion, tenure, and merit pay?
2. Is there a significant difference in scholarly, teaching, and service activities upon promotion, tenure, and merit pay decisions between teaching and research, public and private, and accredited and AACSB candidate schools?
3. What emphasis do school of business deans suggest be given to scholarly activities in promotion, tenure, and merit pay decisions?

BACKGROUND PERSPECTIVES

Educators are challenged to prepare students for professional careers in an increasingly complex business environment characterized by accelerated rates of change and greater uncertainty. Both faculty and graduates encounter many expectations on the part of stakeholders they serve, and institutions are frequently expected to produce more results with fewer resources. Assessment, productivity considerations, and a desire for quality outcomes are integral components in the arena of contemporary higher education.

Undergraduate and graduate business enrollments are anticipated to increase during the next decade (Doti and Tuggle, 2005). As might be expected, students experience a positive financial return from their investments in higher education (Daoust et al., 2006). Futrelle et al., (2005) observed that persons with baccalaureate degrees had lifetime incomes over 80 percent higher than high school graduates. Business educators play a vital role in preparing these students.

Consequently, their expectations and experiences in the academic environment are relevant. Milem et al., (2000) reported aggregated national survey data over a 20-year period and noted a trend toward growing similarities related to allocation of faculty time among institutions, especially time devoted to research activities.

For many, quality teaching is perceived as the ultimate criterion in higher education. Student and public expectations focus on learning that occurs within the academic framework. Marsh and Hattie (2002) noted that teaching effectiveness was dependent upon selection, retention, and promotion of faculty who were capable teachers. Fairweather (2002) emphasized that high levels of faculty productivity in both teaching and research were relatively uncommon among faculty. Comm and Mathaisel (1998) surveyed deans at AACSB schools and reported that over 60 percent rated student course evaluations as either important or very important in tenure and promotion decisions. Teaching was the top-ranked criteria for awarding tenure.

Various studies have addressed different components of academic performance (Roller et al., 2003; Hindi and Miller, 2000; Pastore, 1989; Kren et al., 1993; Kimmel et al., 1998). In a national study of information systems faculty, Hu and Gill (2000) learned that tenure, academic rank, type of school, and field related employment were not significant indicators of productivity in research. Interestingly, administrators have found differences in publication output in various academic disciplines. Swanson (2004) observed that doctoral faculty in fields other than accounting were from 1.4 to 2.4 times more likely to publish in major journals. In a study of doctorally-qualified accounting professors, Zivney et al., (1995) reported that fewer than 10 percent of faculty who publish averaged one article a year with the typical faculty member averaging an article every three years, based upon a review of 66 journals.

Faculty service encompasses a wide range of activities involving departmental and university endeavors, such as participation at community events or work with various types of professional organizations. A survey of deans/chairs at AACSB schools concluded that the most important activities were perceived to be on-going professional service and providing measured university benefits. For nonprofessional activities, university-related committee work was considered to be the most important. In a national study of small business development and management assistance centers, researchers found that lack of academic recognition was a primary reason hindering faculty interest and participation (Udell, 1990). Ehie and Karathanos (1994) completed a national survey of business-school deans and found that service to the institution was the most important service component, followed by service to professional organizations and community service.

Faculty can engage in a wide variety of activities that enhance their professional abilities. These include attendance at conferences, workshops, and seminars; consulting; review of professional manuscripts; and editorial initiatives. According to Fay et al., (1993), a key consideration was how well various activities enhance performance of instructional responsibilities. Badri and Abdulla (2004) recognized the value of workshops and seminars in improving classroom performance. Hunt (2004) surveyed new management faculty and reported that availability of travel funds to attend meetings was among the most important factors regarding employment decisions.

Some persons tend to differentiate faculty performance expectations on the basis of whether or not a business school is accredited by AACSB. Englebrecht et al., (1994) examined publication records of newly-promoted accounting professors and noted that associate and full professors at AACSB schools did publish to a greater extent than faculty at non-accredited schools. Whitman et al., (1999) conducted a nationwide study of AACSB and non-AACSB schools. These researchers found differences in practices related to promotion, tenure, and awarding of merit. Compared to faculty at nonaccredited schools, Murrey et al., (1994) discovered a significantly higher likelihood that risk and insurance faculty at AACSB schools were more apt to perform research for the purpose of getting a publication for their record of professional accomplishments. Srinivasan et al., (2000) conducted a survey of business school deans and discovered that there were differences in perceptions among various aspects of scholarship between AACSB accredited and unaccredited schools. Scholarship of application, paid consulting, scholarship of discovery, and publishing in top journals were of more significance at AACSB schools. However, interacting with students, service to the business school, and service to the community were significantly more important at non-AACSB institutions.

RESEARCH METHODS

Survey Questionnaire

The survey questionnaire was developed and pilot tested in cooperation with administrative colleagues. The survey questionnaire was then reviewed for content, as well as readability, and modified accordingly. The questionnaire requested general information, such as total enrollment, total number of faculty, highest degree offered, AACSB accreditation status, and the primary mission (teaching or research) of the colleges of business. In part two of the questionnaire, participants were asked to answer questions regarding issues concerning scholarly activities.

Sample, Data Collection, and Statistical Techniques

Data were obtained from a survey questionnaire, which was sent during the summer of 2005 to deans of business colleges that were either accredited or AACSB candidate schools. The questionnaire was distributed to 600 deans of business colleges listed in the April 2005 AACSB membership directory. SPSS statistical software was used to compute frequencies, means, and percentages. The t-test was employed to examine differences in means of participants' responses.

DATA ANALYSIS

One hundred and thirty deans returned completed surveys, which represented a response rate of 21.7 percent. A summary of frequency distributions for key variables is presented in Table 1.

Table 1: Frequency Distributions of Key Variables

Variable	Teaching N1 = 101	Research N2 = 29	Total N = 130
Total Enrollment	9121 (Avg)	18878 (Avg)	11297 (Avg)
Total # of Faculty	44 (Avg)	77 (Avg)	52.00 (Avg)
Business Enrollment	1550 (Avg)	2700 (Avg)	1807 (Avg)
Highest Degree			
Doctorate	6.92 %	48.27 %	16.2 %
Master	73.26 %	51.73 %	68.5 %
Baccalaureate	19.82 %	0 %	15.4 %
School Classification			
Public	67.33 %	82.76 %	70.77 %
Private	32.67 %	17.24 %	29.23 %
Status of School of Business			
AACSB Candidate	19.80 %	0 %	15.38 %
Accredited by AACSB	80.20 %	100 %	84.62 %
Mission of School of Business			
Teaching	--	--	77.69 %
Research	--	--	22.31 %

Teaching was the primary mission at 78 percent of the colleges of business, compared to research at 22 percent of the surveyed institutions. Some 67 percent of teaching schools were public, and 33 percent were private, while 83 percent of research institutions were public and 17 percent were classified as private. The average total enrollment at teaching schools was 9,121 students, compared to 18,878 students at research institutions. The average total number of students in colleges of business at teaching schools was 1,550 compared to 2,700 at research institutions. The average number of faculty members in colleges of business at teaching schools was 44, compared to 77 at research institutions. Eighty percent of colleges of business at teaching schools was accredited by AACSB, compared to 100 percent at research institutions. Twenty percent of colleges of business at teaching schools was AACSB candidates, compared to none at research institutions.

RESULTS OF THE STUDY

In this section, we reported deans' responses to questions on the questionnaire. Participant opinions regarding the effect scholarly, teaching, and service activities should have on promotion, tenure, and merit salary were discussed. Additionally, deans' recommendations for percentages assigned to scholarly activities were also reported.

Deans' Responses

As shown in Table 2, approximately 40 percent of deans at teaching schools, compared to 52 percent at research institutions, reported that they hosted face-to-face professional academic conferences. Less than four percent of all institutions hosted video-based conferences. Approximately one percent of teaching schools, compared to none of the research institutions, indicated that they hosted Internet-based conferences.

Table 2: A Summary of Deans' Responses

Variable	Teaching N1 = 101	Research N2 = 29	Total N = 130
Hosting Professional Academic Conference			
Internet based	0.9 %	0 %	0.7 %
Face-to-face based	39.60 %	51.72 %	42.31 %
Video Conferencing based	2.97 %	6.89 %	3.8 %
Number of Full/Partial Reimbursed Conference/Year			
1 Conference	32.35 %	4.54 %	17.69 %
2 or More Conferences	67.65 %	95.46 %`	36.92 %
Average Percentage of Total Expenses Reimbursed			
National (based on $1200)	95.51 %	97.93 %	96.03 % [20% - 100%]
International (based on $2500)	72.83 %	82.50 %	75.41 % [0% - 100%]
Must be Published in a Journal			
Yes	82.00 %	100.00 %	84.61 %
No	18.00 %	0 %	15.39 %
Must be Prestigious Journal			
Yes	20.00 %	85.18 %	36.92 %
No	80.00 %	14.82 %	63.08 %
Primary Purpose for Scholarly Activity			
Promotion/Tenure	57.29 %	58.33 %	55.38 %

Table 2: A Summary of Deans' Responses

Variable	Teaching N1 = 101	Research N2 = 29	Total N = 130
Accreditation	29.47 %	17.39 %	24.61 %
Instructional Development	20.00 %	17.39 %	16.92 %
Merit Salary	7.59 %	12.5 %	6.9 %
Techniques for Decrease in Scholarly Activity			
Award no Merit Pay	63.15 %	89.65 %	66.20 %
Do Nothing	14.73 %	0 %	10.80 %
Recommend Faculty Development	64.21 %	55.17 %	59.20 %
Reassign Activity	50.52 %	68.97 %	52.30 %
Terminate (Formal Process)	5.26 %	0 %	3.80 %
Implement Mentor/Counseling	43.15 %	17.24 %	35.40 %
Average of Total Faculty Scholarly Contributions/Year			
Journal			
0 – 10	82.97 %	72.75 %	85.00 %
> 10	17.03 %	27.25 %	15.00 %
Published Proceedings			
0 – 10	82.60 %	90.47 %	84.10 %
> 10	17.40 %	9.53 %	15.90 %
Presentation at Conferences			
0 – 10	79.35 %	90.90 %	81.60 %
> 10	20.65 %	9.10 %	18.40 %

Sixty-eight percent of teaching schools, compared to 95 percent of research institutions, reimbursed faculty members fully or partially for attending two or more professional conferences per year. On average, teaching schools reimbursed 96 percent of the total expenses of attending a national conference and 73 percent of the total expenses of attending an international conference. On the other hand, the average reimbursement at research institutions was 98 percent of the total expenses to attend a national conference and 83 percent to attend an international conference.

Eighty-two percent of deans from schools that focused on teaching, compared to 100 percent at research institutions, indicated that scholarly contributions must be published in a journal to be considered meritorious for promotion, tenure, or merit pay decisions. Additionally, 20 percent of deans at teaching schools, compared to 85 percent at research institutions, required the journal to be prestigious. Deans at 17 percent of teaching schools, compared to 27 percent of research institutions, reported that their total faculty members averaged ten or more journal articles per academic year. Seventeen percent of faculty at teaching schools, compared to 10 percent at research institutions, published ten or more articles at conference proceedings per year. Twenty-one percent of faculty at teaching schools, compared to nine percent at research institutions, made ten or more presentations at academic conferences each year. When the deans were asked to rank the primary purpose of scholarly activities, promotion/tenure was ranked first at both teaching and research institutions, followed by accreditation and instructional development.

Table 3 shows the trends in scholarly activities for tenured faculty after they became tenured. There were no significant differences in mean percentages for tenured faculty with respect to the trend in their scholarly activities between teaching and research institutions, public and private schools, and accredited and AACSB candidate schools. However, as shown in Table 3, a higher percentage of tenured faculty at research institutions showed an increase in their scholarly activities compared to tenured faculty at teaching schools. On the other hand, 23 percent of tenured faculty at teaching schools, compared to 16 percent of those at research institutions, showed a decrease in their scholarly activities. More than 50 percent of tenured faculty at both teaching and research institutions reported no change in their scholarly activities.

Similarly, a higher percentage of tenured faculty at accredited schools showed an increase in their scholarly activities, compared to tenured faculty at AACSB candidate schools. Twenty-five percent of tenured faculty at candidate schools, compared to 16 percent of tenured faculty at accredited colleges, reported a decrease in their scholarly activities. On the other hand, tenured faculty at both public and private institutions showed similar percentages for their scholarly activities.

Table 3: The Trends in Scholarly Activities for Tenured Faculty

Trends of Scholarly Activities	Mean Percentages of Tenured Faculty		T (p-value)
	Teaching Institutions	Research Institutions	
Increase	21.74	32.18	-1.333 (0.191)
No change	55.40	51.60	1.126 (0.267)
Decrease	22.86	16.22	1.382 (0.172)
	Public Institutions	Private Institutions	
Increase	24.44	23.84	-0.284 (0.778)
No change	55.36	56.89	-1.054 (0.295)
Decrease	20.20	19.27	0.295 (0.769)
	Accredited Institutions	Candidate Institutions	
Increase	25.94	14.58	1.453 (0.125)
No change	58.30	60.63	1.646 (0.112)
Decrease	15.76	24.79	-1.229 (0.229)

When participants were asked about techniques used to encourage scholarly productivity for faculty members who had achieved tenure but showed a decrease in scholarly activities, different approaches were noticeable. Sixty-four percent of teaching schools, compared to 55 percent of research institutions, used "recommended faculty development." Some 90 percent of research institutions, compared to 63 percent of teaching schools, awarded no merit pay. Fifty-one percent of teaching schools, compared to 69 percent of research institutions, utilized a "reassign activity" approach. Another technique used was "implementing mentor/counsel" (43 percent of teaching compared to 17 percent of research institutions). The final technique "terminate (formal process)" was used by five percent of teaching schools, compared to none of research institutions.

Promotion-Tenure Decisions

As shown in Table 4, there were significant differences in means of assigned weights for research, teaching, and service activities regarding promotion/tenure decisions between teaching and research institutions. With reference to promotion decisions, deans at teaching schools, on average, assigned 47 percent, 43 percent, and 10 percent to teaching, scholarly, and service activities and assigned 48 percent, 42 percent, and 10 percent for tenure decisions. On the other hand, deans at research institutions assigned 57 percent, 32 percent, and 11 percent to scholarly, teaching, and service activities for promotion decisions, and assigned 59 percent, 33 percent, and 8 percent for tenure decisions.

When comparing responses of deans at public and private schools, there were significant differences in means of assigned weights for scholarly and teaching activities regarding tenure decisions. While deans at public schools assigned more weight for scholarly activities regarding promotion and tenure decisions, deans at private schools did the opposite.

There were significant differences in means of assigned weights for scholarly and teaching activities involving promotion and tenure decisions between accredited and AACSB candidate schools. For promotion and tenure decisions, deans at accredited schools, compared to deans at candidate schools, assigned significantly higher weight to scholarly activities. On the other hand, deans at candidate schools assigned significantly more weight to teaching activities for promotion and tenure decisions.

To get a better understanding of the distribution of weights assigned for teaching, scholarly, and service activities regarding promotion and tenure decisions, we grouped the weights assigned for these activities into two categories: (1) 50 percent or less and (2) greater than 50 percent and computed respondents' percentages according to each category, as shown in Table 5.

Table 4: Average of Weights Assigned for Scholarly/Teaching/Service for Promotion/Tenure Decisions			
Decisions	Means (%)		T (p-value)
	Teaching Institutions	Research Institutions	
Promotion:			
Scholarly	43.47	57.22	-3.567 (0.000)
Teaching	47.03	32.07	5.35 (0.000)
Service	9.50	10.71	1.823 (0.073
Tenure:			
Scholarly	41.90	59.41	-4.737 (0.000)
Teaching	48.22	32.93	5.195 (0.000)
Service	9.88	7.66	2.522 (0.014)
Decisions	Public Institutions	Private Institutions	T (p-value)
Promotion:			
Scholarly	47.55	44.06	1.084 (0.282)
Teaching	42.64	46.42	-1.292 (0.201)
Service	9.81	9.52	-0.061 (0.951)
Tenure:			
Scholarly	48.01	41.23	2.293 (0.024)
Teaching	43.30	48.51	-1.925 (0.058)
Service	8.69	10.26	0.569 (0.571)
Decisions	Accredited Institutions	Candidate Institutions	T (p-value)
Promotion:			
Scholarly	47.88	38.67	-2.336 (0.028)
Teaching	42.29	52.28	2.609 (0.016)
Service	9.83	9.05	0.586 (0.563)
Tenure:			
Scholarly	47.61	35.81	-2.668 (0.014)
Teaching	43.42	53.94	2.775 (0.012)
Service	8.97	10.25	0.039 (0.969)

Some 18 percent of deans at teaching schools assigned weight of more than 50 percent for scholarly activities to their promotion decisions, and 22 percent assigned weight of more than 50 percent for teaching. Some 44 percent of deans at research institutions assigned weights higher than 50 percent for scholarly activities to their promotion decisions. Fourteen percent, 24 percent, and one percent of deans at teaching schools indicated that they assigned weights greater than 50 percent to tenure decisions for scholarly, teaching, and service activities, respectively. On the other hand, 48 percent, zero percent, and zero percent of deans at research institutions indicated that they assigned weights higher than 50 percent for tenure decisions related to scholarly, teaching, and service activities, respectively.

At research institutions, no weight above 50 percent was assigned for teaching or service activities involving promotion or tenure decisions. However, they assigned weights above 50 percent to scholarly activities, for these decisions, on the other hand, teaching schools assigned weights above 50 percent for teaching, research, or service activities. Additionally, a higher percentage of teaching schools assigned more weight (>50%) to scholarly activities for decisions involving promotion than for tenure decisions (17.90% vs. 13.98%). A higher percentage of teaching schools assigned more weight (>50%) to teaching activities for tenure than promotion (24.47% vs. 21.88%) decisions. On the other hand, research institutions did exactly the opposite.

Table 5: Percentages of Respondents of Assigning Weights for Promotion/Tenure Decisions

Promotion/ Tenure	Teaching Institutions			Research Institutions			Total		
	Scholarly Activity	Teaching	Services	Scholarly Activity	Teaching	Service	Scholarly Activity	Teaching	Service
Assigned Weight for Promotion Decision									
<= 50 %	82.10 %	78.12 %	98.91 %	55.56 %	100.00 %	100.00 %	76.20%	82.90%	100%
> 50 %	17.90 %	21.88 %	1.09 %	44.44 %	0 %	0 %	23.8%	17.10%	0%
Assigned Weight for Tenure Decision									
<= 50 %	86.02 %	75.53 %	98.89 %	51.72 %	100.00 %	100.00 %	77.90%	81.00%	100%
> 50 %	13.98 %	24.47 %	1.11 %	48.28 %	0 %	0 %	22.10%	19.00%	0%

Deans' Recommendations for Percentages Assigned to Scholarly Activities

The statistical t-test was used to examine differences in means for recommended percentages assigned to scholarly activities between teaching and research institutions, public vs. private, and accredited vs. AACSB candidate schools. As shown in Table 6, deans at teaching and research institutions suggested that the highest percentage for promotion, tenure, and merit salary decisions should be assigned to a journal publication, followed by writing a book. Percentages ranged from five to 13 percent for proceedings publications and writing chapters in books. Conference attendance was the least recognized activity. According to t-test results, there were significant differences in means of the assigned percentages for all scholarly activities between teaching and research institutions with exception of writing a chapter in a book. While research institutions, compared to teaching schools, assigned a higher percentage for a journal publication, teaching schools assigned higher percentages for attending conferences, giving professional presentations, proceedings publications, writing a book, and writing a chapter in a book.

Table 6 shows a comparison between responses of public and private institutions. Deans at private schools assigned a higher percentage to all scholarly activities (with the exception of journal publications and professional presentations) for promotion, tenure, and merit salary decisions. There were no significant differences in means of the assigned percentages for all scholarly activities between the two groups. On the other hand, there were significant differences in means of the assigned percentages for some scholarly activities between accredited and AACSB candidate schools. For example, candidate institutions, compared to AACSB-accredited schools, assigned more weight to giving presentations (means: 11.55% vs. 6.90%, t=2.362, p=0.034) and proceedings publications (16.82% vs. 10.46%, t=2.925, p=0.01) for merit decisions. Additionally, candidate schools assigned greater weight to giving presentations (11.47% vs. 6.18%, t=2.512, p=0.022) and proceedings publications (16.00% vs. 10.15%, t=3.553 p=0.001) for promotion decisions. Moreover, candidate schools assigned more weight to proceedings publications (17.00% vs. 10.74%, t=3.192, p=0.004) for tenure decisions. On the other hand, accredited institutions assigned a greater weight to journal publications for promotion decisions (51.02% vs. 38.82%, -2.171, p=0.041) and tenure decisions (51.80% vs. 39.38%, t=-2.376, p=0.026).

DISCUSSION AND IMPLICATIONS

This study attempted to explore the role scholarly activities, teaching, and service have on promotion, tenure, and merit pay decisions for faculty members at AACSB and candidate schools of business. Results revealed that deans at both teaching and research institutions supported scholarly activities conducted by faculty members. This was evident by the fact that more than 95 percent of teaching and research institutions supported their faculty by reimbursing them for attending national academic conferences. Additionally, deans at both teaching and research institutions assigned weights of 42 percent and 59 percent to scholarly activities for promotion and tenure decisions.

While teaching, private, and AACSB candidate schools, on average, assigned more weight to teaching activities involving decisions related to promotion and tenure; research, public, and accredited institutions emphasized research. All institutions, on average, assigned an approximate 10 percent weight for service activities to promotion and tenure decisions. Based on the results, one might say that the remaining 90 percent could be divided between scholarly and teaching activities in a range of 40-50 percent for each activity. It was interesting to note that the average assigned weight for scholarly activity was never reported below 40 or above 60 percent, while the average assigned weight for teaching activities was reported below 40 percent. It should be noted that the overall averages for scholarly, teaching, and service activities were 46.52 percent, 43.75 percent, and 9.73 percent regarding promotion decisions and were 46.07 percent, 44.81 percent, and 9.12 percent respectively for tenure decisions.

A commonly practiced assignment for the three professional activities (40-50 percent for teaching, 30-40 percent for scholarly, and 10-20 percent for service) may not be found among the majority of teaching schools. Perhaps, there appears to be a new trend for distribution of weight for faculty professional accomplishments. This new trend supports more weight for scholarly activities with less emphasis on the weight of either teaching or service activities. Further analysis is needed to understand the reasons behind this trend.

Table 6: T-test Results of Deans' Recommendations for Percentages Assigned to Scholarly Activities

Activity	Merit salary			Promotion			Tenure		
	Means		T (p-value)	Means		T (p-value)	Means		T (p-value)
	Teaching	Research		Teaching	Research		Teaching	Research	
Attending a Conference	2.27	1.00	1.983 (.052)	2.27	0.95	2.113 (.039)	2.23	1.00	1.849 (.069)
Giving a professional presentation	8.32	4.74	2.762 (.008)	7.90	4.13	3.227 (.002)	8.71	4.74	2.902 (.005)
A proceedings publication	12.31	7.74	1.872 (.071)	12.75	5.13	5.462 (.000)	13.35	5.96	5.010 (.000)
A journal publication	44.36	61.12	-3.667 (.001)	44.39	64.46	-4.333 (.000)	44.95	66.00	-4.505 (.000)
Writing a book	20.85	15.5	2.054 (.045)	22.09	14.58	2.693 (.010)	20.79	12.61	3.232 (.002)
Write a chapter in a book	9.81	7.17	1.392 (.171)	10.66	6.39	2.313 (.026)	10.53	6.45	2.177 (.035)
Activity	Merit salary			Promotion			Tenure		
	Means		T (p-value)	Means		T (p-value)	Means		T (p-value)
	Public	Private		Public	Private		Public	Private	
Attending a Conference	1.73	2.54	-.805 (.427)	1.57	2.91	-1.321 (.196)	1.57	2.94	-1.153 (.259)
Giving a professional presentation	7.22	8.08	-.531 (.598)	7.28	6.19	.786 (.435)	8.01	7.08	.568 (.572)
A proceedings publication	10.84	12.20	-.792 (.431)	10.31	12.76	-1.475 (.145)	11.07	13.21	-1.262 (.212)
A journal publication	49.64	46.04	.756 (.453)	50.25	46.17	.868 (.389)	50.71	47.93	.567 (.573)
Writing a book	18.36	22.72	-1.510 (.138)	19.57	22.50	-1.091 (.280)	18.27	20.74	-.869 (.390)
Write a chapter in a book	8.67	10.40	-.911 (.367)	9.15	10.96	-1.009 (.317)	9.37	10.26	-.500 (.619)

Results indicated that the majority of tenured faculty, regardless of their school classifications, showed no change in their scholarly activities after they became tenured. The results also revealed that more than 16 percent of tenured faculty showed a decline in their scholarly activities after receiving tenure. As a result, different techniques were used by schools of business to address this issue. For example, "award no merit pay" was the most popular technique used by research institutions to encourage scholarly activities for nonproductive faculty, while "recommended faculty development" was most popular at teaching schools. "Terminate" was used by only five percent of teaching and none of the research institutions. Institutions should consider the best techniques for encouraging faculty members to be involved in scholarly activities that are appropriate for institutional cultures with consideration given to individual differences.

. Research institutions, compared to teaching schools, assigned a higher percentage to scholarly activities for journal publications. On the other hand, teaching schools, compared to research institutions, assigned a higher percentage to attending conferences, professional presentations, proceedings publications, and writing a chapter in a book. It seems that research and teaching institutions continue to assign more weight to a journal publication than to all other scholarly activitites combined. One might ask "Is it the time to reconsider the current distribution of assigned weights among the scholarly activities?"

More than 50 percent of research institutions hosted "face-to-face academic conferences." Less than four percent of all surveyed schools hosted "video conferences," while "Internet-based conferences" were not supported by any of the research institutions. Both research and teaching institutions did not make use of information technology in hosting academic conferences. Due to budget constraints, the use of video conferencing and Internet-based media could be an attractive option for hosting academic conferences.

The results provided valuable information for deans at colleges of business with respect to the average and range of percentages to use when making merit decisions. Additionally, this study provided insight into the role scholarly activities have on tenure, promotion, and merit pay decisions. Moreover, these results provided deans with potential benchmarks of appropriate weights for scholarly, teaching, and service activities related to tenure, promotion, and merit pay decisions.

LIMITATIONS AND FUTURE RESEARCH

The limitations of this study included a relatively small sample size (especially among the private schools). Also, the sample included only accredited or AACSB candidate schools and used self-reported information. Future research could include a comparison between deans and instructors' responses and AACSB-accredited versus unaccredited schools. Another direction of future research might be conducting a cross-cultural study that includes schools from different countries with various cultural backgrounds.

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TEACHING METHODOLOGIES IN THE CLASSROOM: A STUDY OF STUDENT PREFERENCES

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ABSTRACT

Student success is often dependent upon the student in terms of ability, motivation, and classroom performance. There are uncontrollable factors such as class size, and factors that may be somewhat controllable such as course delivery method. Student success may also be dependent upon a number of other factors outside the control of the student but rather controlled by the faculty member. This might include whether the instructor determines course grades using tests and quizzes, or research papers and projects. This paper examines the various factors affecting student success in business courses and provides results of a survey of student preferences with regard to graded assignments.

INTRODUCTION

Student success in business courses is dependent among a number of factors including student ability, self esteem, self-efficacy, course delivery method (traditional classroom setting versus online and other formats) and classroom teaching methodology used by the instructor. Some students may perform better academically when the teaching methodology employed by the faculty member better suits the students' learning style and preference. Today, as colleges employ a wider range of course delivery systems, faculty members' choice of teaching methodologies may be limited. For example, online course formats do not necessarily allow for the same type of teacher-student or student-student interaction as a traditional classroom setting.

Importance of the study

Selection of the appropriate teaching methodology may impact student success, course drop rates, and even persistence to graduate. Several research studies provide information on success in distance learning (Hogan, 1997; Hoskins & Newstead, 1997; Huston, 1997). Colleges and faculty members would find it useful to be able to match the appropriate teaching methodology with the course being taught and the course delivery system.

Additional research may provide academic advisors the means to identify students who possess low self efficacy and advise those students to enroll in traditional classroom courses instead of an online or other course delivery method whereby the student could be successful. This would lead to improved student retention. Research in this area might also assist online course providers to better understand various student success factors when developing software products. The software enhancements might benefit students and faculty members utilizing online course delivery systems.

LITERATURE REVIEW

Distance learning

Kung (2002) found distance learning courses in many academic disciplines provide a variety of techniques to attain knowledge outside the traditional classroom. Various factors, career development in particular, may have been the primary factor persuading students to enroll in distance learning courses (Kung, 2002). In addition, finances, distance, and time constraints, might be other factors causing students to enroll in distance education courses. In addition, other motivational factors might include quality of the instruction and material provided to the student (The Changing, 1993).

Kung (2002) considered the most significant factor impacting the decision to enroll in a distance learning course was the course topic. Kung also found that problems continue to exist in distance learning course development and that a fundamental problem might be that students might be motivated by technology perks rather than the need for education and may select the distance learning format for the wrong reason (Katz, 2002). When students select online courses due to technological convenience instead of the appropriate course delivery for individual student learning style, online student success might be discredited.

Many factors impact student success. Students enrolled in online learning classes might actually have increased self esteem depending on course structure (Vamosi, Pierce & Slotkin, 2004; Weiger, 1988). Additionally, students could be more successful depending upon their individual academic self efficacy, which relates to their confidence in completing course requirements.

A study of attitudes and perceptions of finance students enrolled in distance learning courses by Borgia, Hobbs, Segal & Weeks (1999) at Florida Gulf Coast University found student confidence might be significantly improved through technology support systems. This finding was particularly important as students also reported reduced communication and interaction with the instructor as a weakness of distance learning courses. Since this time colleges and universities have developed a variety of mechanisms to improve interaction between the student and the instructor.

Demographic variables affecting student learning

Sullivan (2001), found the online classroom experience different among male and female students. A smaller percentage of men perceived flexibility a more significant issue than women (Hayes & Richardson, 1995; Sullivan, 2001). This might explain why women comprised 70 % of the this online sample and might also explain the reason adult female students appear to enroll in more online classes and are more successful in completing online classes. Despite men and women both reporting it important to achieve their academic goals, both groups indicated they did not like online interaction with other students. The reason might be due to the fact that some students would prefer to be part of traditional classroom interaction. Some students reported that lively online discussion and commentary on the part of the professor were a favorable aspect of being enrolled in an online course. Sullivan (2001), also found female students preferred the traditional classroom face-to-face setting while male students preferred the online classroom environment.

Self-esteem, age, gender, and race

Twenge and Crocker (2002) found that compared to Caucasians of the same gender, male Asian students reported having lower self-esteem than Asian female students. Findings were similar for Hispanic and African students, whereby males also scored lower than females. Comparisons of three racial groups (Asians, African Americans, and Hispanics), found male students to have lower self-esteem than female Caucasians.

A study by Gray-Little & Hafdahl (2000) found no constant age differences in student self-esteem. According to the authors, the Rosenberg Self-Esteem Scale indicated increased self-esteem among older students. The exception, however, was decreased self-esteem levels among junior high school and middle school students. Additional studies report an African American advantage in self-esteem developing in elementary school and continuing to college-age students (Twenge & Crocker, 2002). Trzesniewski, Donnellan, & Robins (2003) also reported self esteem increases from age 11 to college age. Adult, nontraditional students may not display this increased self-esteem, and in fact after age 40, self esteem was found to lower significantly (Brunner, 1991; Dill & Henley, 1998).

Varying methodologies among business courses and instructors

Individual instructors may have preferences in the type of methodologies used in their classes. In addition, certain course may lend themselves better to particular learning methods. For example, while an introductory course may find multiple choice and true/false tests an effective means to help students learn basic terminology and principles, an upper-division course might find case studies and/or presentations a better means to student preparation. In addition, classes with many students might dictate the teaching approach as it would be near impossible for a class with 500 students to give presentations.

Bell (2005), found teaching entrepreneurship courses more effective by having students self-select projects. The researcher redesigned an honors course for freshman and sophomore students who are non-business majors. The objective of the course was twofold: first; to target nonbusiness majors with a course that helps students to recognize that that all students are focused on success, and second; effecting and instituting change in business is similar to effecting and instituting change in other organizations. Other entrepreneurship instructors take a different approach.

Fregetto (2005), reported that the use of business simulations was a more effective learning tool for students who were entrepreneurially inclined compared to those students who were not entrepreneurially inclined. Other studies (Wellington & Faria, 1991 and Corner & Nicholls, 1996) found business simulations an effective means to enhance student learning. Another study (Haym, 2005) focused on the instructor, rather than the student. In that instance, the instructor employed an active teaching approach to his classes whereby students in his classes became active learners. That is, rather than a traditional lecture class format, students are engaged through a variety of class exercises and interactive learning experiences.

METHODOLOGY

Students enrolled in the entry-level entrepreneurship and marketing class during summer, fall, and winter 2005 quarters were surveyed to report student attitudes and perceptions on various teaching methodologies and graded assignments. Students were questioned whether they believed tests, quizzes, or other graded assignments were the best way to measure student knowledge in the field. Students were also asked their opinion of the importance of oral and written communication skills, as well as the perceived importance of studying marketing or entrepreneurship.

Marketing students slightly favored the use of tests and quizzes as the best way to measure their knowledge of marketing principles. Marketing students did not believe research papers and written assignments, nor were business simulations effective measurements of their knowledge of marketing principles. Although students did not believe presentations were useful, student reported writing assignments to be a valuable skill for business students. This, despite students reported research papers and written not to be best methods for demonstrating knowledge in marketing principles. See Table 1 below.

Typically, university professors were trained in a particular discipline such as marketing, management, accounting, finance, entrepreneurship, or some other field; however, professors seldom receive specialized teacher training on how to teach. Some graduate students become teaching assistants and develop teaching skills before the first university teaching appointment. But for many others, teaching skills will be developed by trial and error. Professors who really enjoy teaching spend a great deal of time and effort in search of best practices in the art of teaching. Most professors, however, attend conferences and training in their teaching field, not on how to teach.

The researchers' sample also included students in the entry-level entrepreneurship class which is required of all business majors at that particular university. Preliminary results provided some interesting findings. For example, while students believed that writing skills (78.6 percent agree or strongly agree) can be an essential skill for business graduates, survey results indicated that students consider comprehensive cases of little importance. Rather, students consider business plan preparation to be a more appropriate method to develop writing skills.

Table 1: Marketing student's response	
Key findings	agree/strongly agree
Question	percent
Studying marketing valuable	
useful for any student majoring in business	85.7
Writing skills essential for business graduates	68.4
Presentation skills important	42.8
Marketing plan skill important	42.9
Developing a marketing plan best student measure	64.3
Tests and quizzes best measure	52.4
Comprehensive cases best measure	35.7
Research papers best measure	28.2
N = 84	

Should entrepreneurship be required of all business majors? Although fewer respondents indicated that key entrepreneurship skills can be important for business majors, such as developing a business plan (42.9 percent) an overwhelming number responded (85.7 percent agreed or strongly agreed) that studying entrepreneurship would be useful for any student majoring in business.

With regard to tests and quizzes, less than half of the students (46.4 percent agreed or strongly agreed) surveyed indicated that tests and quizzes were the best method to demonstrate student knowledge and skills in entrepreneurship. Although none of the students surveyed had used a business simulation in entrepreneurship class, a majority (60.7 agreed or strongly agreed) surveyed believed that business simulations were the best method to demonstrate their knowledge and skills in entrepreneurship.

FINDINGS

Survey results as indicated in Table 2 reveal some interesting information. Students recognize the importance of developing communication skills through writing assignments and formal class presentations. However, the type of writing assignment they believe best benefits them is developing a business plan.

While the survey numbers are relatively small to conduct an in-depth analysis, regardless of major, students identified business plan development as the most valuable skill learned in an entrepreneurship class (42.9 %). Students reported marketing as the second most important skill (17.9%), followed by leadership (14.3%).

When asked whether there should be greater emphasis on accounting and financial skills, only 32.2 percent agreed or strongly agreed. This finding might be significant as some studies indicate finances and/or financial management as a major cause for small business failure (Bruno, A., Leidecker, J., & Harder, J., 1987).

Table 2: Entrepreneurship Student's responses

Key findings	agree/strongly agree
Question	percent
Studying entrepreneurship	
useful for any student majoring in business	85.7
Writing skills essential for business graduates	78.6
Presentation skills important	92.8
Business plan skill important	42.9
Developing a business plan best student measure	64.3
Tests and quizzes best measure	46.4
Comprehensive cases best measure	35.7
Research papers best measure	21.4
N = 82	

Results indicate that students appear to understand the importance of developing strong communication skills, both orally and in writing. Almost 79 percent of students recognize the importance of writing skills as essential for business graduates, while 92.8 percent deemed presentation skills important. Additional study each semester may yield different results. The researcher will also track results longitudinally, to identify student preferences and opinions as responses may change over time.

SUMMARY AND CONCLUSION

Findings from this survey appear to be consistent with recommendations from faculty members and practitioners. According to Brown, entrepreneurship educators should focus learning on real-world application, enable students to engage in their preferred styles of learning, require collaboration and teamwork and engage students in exploration, inquiry, problem solving, and reflection (Brown, 1999).

Results of this study may be important to consider when developing entrepreneurship curricula or coursework. In addition, student satisfaction may be improved when faculty members consider learning styles that students identify as helping them to learn better. Finally, accrediting agencies are forcing colleges and universities to measure outcomes at al levels.

In conclusion, a number of factors impact student success. Many are uncontrollable by the professor such as size of the class or student ability. However, faculty members do have control with regard to the type of methodology used in the classroom. Methodology selection may also be dependent upon size course delivery format and subject, but where the instructor has control, the instructor should seek the most effective means to enhance student learning.

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APPENDIX A
Correlation Table

		Not Disciplined	Need to Study More Than Peers	Difficulty Understanding Course Requirements	Grade	Gender	Marital Status	Working on 4 Year Degree	Race
Need to study	Pearson Correlation	0.419	1.000	0.755	0.189	-0.756	-0.395	0.115	0.327
	Sig (2 tailed)	0.261	-	0.019	0.626	0.018	0.292	0.769	0.390
	N	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
Difficulty Understanding Course Requirements	Pearson Correlation	0.290	0.755	1.000	-0.174	-0.496	-0.104	0.075	-0.201
	Sig (2 tailed)	0.448	0.019		0.655	0.174	0.790	0.847	0.605
	N	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
Trouble Expressing Self	Pearson Correlation	0.517	0.700	0.561	-0.223	-0.529	-0.163	0.271	0.129
	Sig (2 tailed)	0.154	0.036	0.116	0.564	0.143	0.675	0.481	0.741
	N	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
Grade	Pearson Correlation	0.403	0.189	-0.174	1.000	-0.040	0.010	-0.260	-0.295
	Sig (2 tailed)	0.282	0.626	0.655		0.744	0.931	0.030	0.013*
	N	9.000	9.000	9.000	70.000	70.000	70.000	70.000	70.000
Gender	Pearson Correlation	-0.403	-0.756	-0.496	-0.040	1.000	0.107	-0.193	-0.023
	Sig (tailed)	0.282	0.018*	0.174	0.744		0.379	0.109	0.849
	N	9.000	9.000	9.000	70.000	70.000	70.000	70.000	70.000
Marital Status	Pearson Correlation	-0.410	-0.395	-0.104	0.010	0.107	1.000	-0.216	-0.131

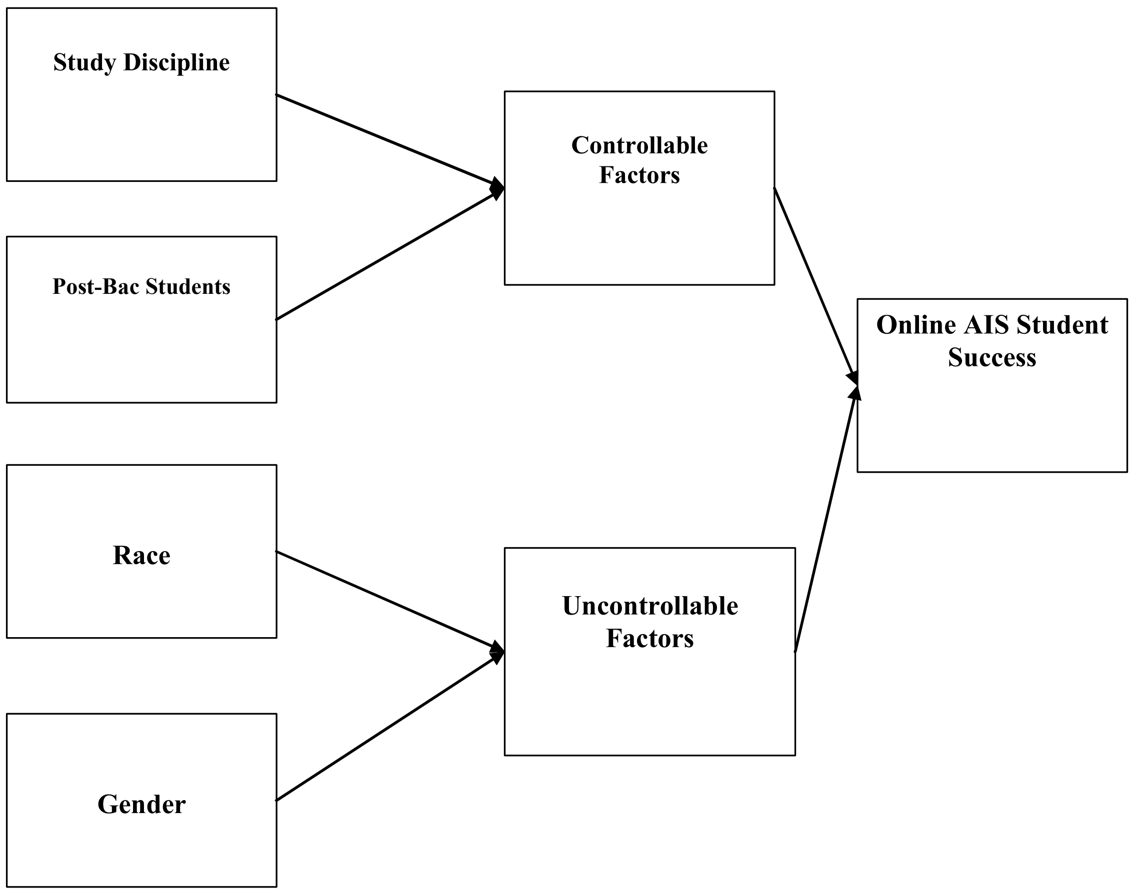
APPENDIX A
Correlation Table

		Not Disciplined	Need to Study More Than Peers	Difficulty Understanding Course Requirements	Grade	Gender	Marital Status	Working on 4 Year Degree	Race
	Sig (2 tailed)	0.273	0.292	0.790	0.931	0.379		0.073	0.280
	N	9.000	9.000	9.000	70.000	70.000	70.000	70.000	70.000
Working on 4 Year Degree Correlation	Pearson Correlation	0.770	0.115	0.075	-0.260	-0.193	-0.218	1.000	0.065
	Sig (2 tailed)	0.015*	0.769	0.847	0.030	0.109	0.073		0.594
	N	9.000	9.000	9.000	70.000	70.000	70.000	70.000	70.000
Race	Pearson Correlation	-0.283	0.327	-0.201	-0.295	-0.023	-0.131	0.065	1.000
	Sig (2 tailed)	0.461	0.390	0.605	0.013	0.849	0.280	0.594	
	N	9.000	9.000	9.000	70.000	70.000	70.000	70.000	70.000

* Correlation is significant at the 0.05 level (2 tailed).
** Correlation is significant at the 0.01 level (2 tailed).
a Cannot be computed because at least one of the variables is constant.

Appendix B

Figure 1



THE RELATIONSHIP BETWEEN AUDITING STUDENTS' ANTICIPATORY SOCIALIZATION AND THEIR PROFESSIONAL COMMITMENT

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ABSTRACT

The accounting profession is suffering from a crisis of confidence caused by many ethics failures. Researchers have advocated that ethics education should start in the classroom by emphasizing the importance of financial reporting to users. The current study examines the relationship between auditing students' commitment to their profession, and their anticipatory socialization, as operationalized by perception of the importance of financial reporting. The results indicated a strong positive relationship between anticipatory socialization and professional commitment. Several demographic factors also emerged that emphasized the importance of socializing accounting students into the profession very early in their career.

INTRODUCTION

In the last few years, the accounting profession has faced several challenges. Among them were the bankruptcies of Arthur Anderson, the indictments and fines of KPMG and the conviction of several top accounting executives in bankrupt firms on fraud charges. The government has taken a more active role in accounting regulation, as exemplified in the Sarbanes Oxley act and increased audit requirements. Generally, the accounting profession has experienced a crisis of confidence in its ability to meet users' expectations.

Several researchers (e.g. Madison (2002)) advocated that ethics education for accountants should start in the classroom, long before they join the professional workforce. The AAA Committee on the Future Structure, Content and Scope of Accounting Education (Bedford Committee Report 1986, 179) also stated: "Professional accounting education must not only emphasize the needed skills and knowledge, it must also instill the ethical standards and the commitment of a professional."

The purpose of this study is to investigate the relationship between accounting students' level of socialization before entering the profession (i.e. anticipatory socialization) and a desirable trait of accounting professionals: Professional commitment. Anticipatory socialization is the process of adopting professional values and beliefs even before obtaining professional membership (Merton & Rossi, 1968). Previous research found extensive evidence of the socialization experience of undergraduate students in many disciplines. The current study extends this research to the accounting field and examines whether accounting students' socialization experience influences their commitment to their chosen profession. The study also examines whether demographic factors such as age, gender, career choice and academic achievement determine the level of professional commitment or anticipatory socialization among accounting students.

The paper is organized as follows: Following this introduction is a review of the relevant literature on professional commitment and anticipatory socialization, along with the limited research conducted on demographic influences. This is followed by an explanation of the study's methodology and sampling. Research results are presented next followed by a discussion of the results as they relate to accounting education in the aftermath of corporate scandals.

BACKGROUND AND HYPOTHESES

Professional Commitment

Aranya et al. (1981, 272) defined professional commitment as the attachments that individuals form to their profession. It entails the belief in, and acceptance of, the goals of the profession. It also shows a willingness to exert significant effort on behalf of the profession. Lee et al. (2000) identified two reasons for the importance of studying professional commitment. First, a person's career represents a major focus of life. Second, professional commitment has important implications at the individual and organizational levels.

Extensive research has investigated the consequences of professional commitment in several occupations. Professional commitment has been linked to positive outcomes such as improved work performance (Lee et al., 2000), reduced turnover intentions, and greater job satisfaction (Meixner & Bline, 1989). Jeffrey et al. (1996) also noted that auditors' level of professional commitment may significantly influence their ethical choices. Lord & DeZoort (2001) empirically confirmed this assertion by finding that auditors with low professional commitment signed off on higher account balances compared to other auditors. Kaplan and Whitecotton (2001) found a positive relationship between auditors' professional commitment and their whistleblowing intentions. Generally, research concluded that professional commitment has positive organizational outcomes.

Research regarding the professional commitment of accounting students is very limited. Weiss (1981) noted the importance of developing professional commitment early in an accountant's career. She found that the nature and frequency of contact with faculty members was significantly related to professional commitment among students. The Accounting Education Change Commission (AECC) also recommended that accounting programs should prepare students to become professional accountants (Benke & Hermanson, 1993). The current study investigates the level of professional commitment among auditing students.

Anticipatory Socialization

Merton & Rossi (1968) defined anticipatory socialization as the process of adopting attitudes and beliefs of a reference group before obtaining membership. Weight (1977) emphasized that anticipatory socialization is a longitudinal process progressing from pre-college years to senior positions within an organization. Research has concluded that students experienced a socialization effect throughout their college years. Schein (1967) found no evidence of attitude change among business students regarding business issues, such as labor-management relations, and corporate responsibility throughout the college years. However, research found a socialization effect regarding stereotypes about accountants (Hughes, 1971), as well as the importance of being a team player and resolving professional conflict (Goffman, 1959). However, more current evidence is needed regarding the socialization experience of accounting students. Mayer-Sommer & Loeb (1981) urged accounting faculty to treat their students in a way consistent with the way they would be treated in their professional life.

Research has been conducted in several disciplines to investigate the importance of anticipatory socialization among students. Anticipatory socialization influenced a student's behavior after graduation (Weight, 1977) and organizational commitment (Sager & Johnston, 1989). McDevitt et al. (2002) found a strong socialization effect among journalism students and Brouwer & Korthagen (2005) found a similar effect among teacher education students. Snizek & Mayer (1984) compared anticipatory socialization among students in two different disciplines: Chemistry and Business. The authors concluded that Chemistry students showed more commitment to their profession compared to their organization whereas Business students exhibited more organizational commitment.

In an accounting context, Scholarios et al. (2003) emphasized that anticipatory socialization in accounting had a lasting effect, even during negative publicity of the accounting profession. Feldman (1988) observed accounting students' tendencies to start reading business journals and act more "businesslike" in their senior undergraduate year.

Responsibility to financial statement users is one of the accounting profession's primary norms and represents professional identity for a public accountant (AICPA Cohen Commission 1978, 88). In addition the AICPA Code of Professional Conduct urges accountants to fulfill their responsibility to the public when faced with ethical conflicts (AICPA, 1992). Therefore, it is reasonable to assume that instructors would emphasize the importance of financial reporting and that the socialization of accounting students would involve such beliefs. Clikeman & Henning (2000) conducted a longitudinal study and found that senior accounting students opposed earnings management and assigned more importance to users' needs than they did during their sophomore year.

The relationship between anticipatory socialization and professional commitment among students has only been theoretically examined. Larson (1977) and Aranya et al. (1982) suggested that an individual's professional commitment developed during his/her socialization experience when particular emphasis was placed on professional values. However, no empirical testing of this relationship has been conducted in an accounting context. Based on previous theory, the current study tests the following hypothesis:

H1: There is a positive relationship between auditing students' level of anticipatory socialization and their degree of professional commitment.

Demographic Factors

Limited Research investigated the impact of demographic factors on accounting students' anticipatory socialization or professional commitment. Kaldenberg et al. (1995) examined gender differences in professional commitment among Dentistry students. They concluded that income and workload were significantly related to professional commitment among males whereas proportion of friends in the workplace was a significant determinant of commitment among women. Some research examined demographic factors as they related to organizational commitment in an accounting context. Aven et al. (1993) conducted a meta-analysis of gender studies in accounting and found that gender and attitudinal commitment were not related. Hall et al. (2005) questioned the limited number of women who remain in the profession and achieve senior accounting roles. The authors indicated the need for research involving gender and professional commitment among accountants. The current study fills the gap in the literature by examining the potential impact of demographic factors on professional commitment and anticipatory socialization among accounting students. Due to the limited previous research, the following hypotheses are tested in the null form:

H2: There is no relationship between gender, age, career choice, or academic performance and auditing students' professional commitment.

H3: There is no relationship between gender, age, career choice, or academic performance and auditing students' anticipatory socialization.

RESEARCH METHOD

Sampling

The sample for this study consisted of undergraduate accounting students enrolled in Auditing courses in two medium-size universities (one private AACSB-accredited in the Northeast and one public non-AACSB accredited in the Southwest). No graduate Auditing classes were offered in these universities, therefore only undergraduate students were surveyed. The voluntary survey was administered during class time and took approximately 15 minutes to complete. Respondents were assured of anonymity. Overall, a total of 128 students provided completed answers to the questionnaire.

Measures

Previous research investigating professional commitment used a questionnaire developed by Aranya et al. (1981). This questionnaire operationalized professional commitment as a one-factor model. Dwyer et al. (2000) tested this questionnaire and found that it produces more than one factor. The authors pared down the questionnaire to a five-item scale with a more parsimonious measure of professional commitment. The new scale was significantly correlated with idealism and the propensity to leave the profession. In Dwyer et al. (2000), the reduced scale had composite reliability of .78. The current study uses this modified scale and the current reliability is .76. Each respondent indicated his/her agreement with each statement on a seven-point Likert scale.

In order to measure anticipatory socialization, perception of the importance of financial reporting was used as a proxy. In both universities, Auditing instructors emphasized that auditors should constantly consider users' needs regarding financial reporting. Clikeman & Henning (2000) developed a questionnaire to measure perception of financial reporting. It consisted of 11 statements (some reverse-scored) and yielded four factors. Each respondent records his/her agreement with the statement on a seven-point scale. The first factor (4 items) was labeled "Misstate" and measures the student's willingness to intentionally misstate financial statements (reverse-scored). The second factor (3 items) was labeled "Disclosure" and indicated the student's belief that companies should be required to provide additional disclosures. The third factor (2 items) was labeled "Cost Benefit" and indicated the student's belief that financial reporting benefits outweigh the costs. The final factor (2 items) was labeled "Responsibility" and indicated the student's belief in management's responsibility for accurate reporting. A total score for perception of financial reporting is also obtained. Clikeman & Henning (2000) found that accounting majors had a higher perception of the importance of financial reporting than other business majors. In the original study, the questionnaire had internal consistencies of .73, .81, .77, and .86 for the four factors respectively. In the current study, internal consistencies were .71, .78, .76, and .82. The survey also included many demographic questions regarding age, gender and career choice (public accounting, industry, government accounting or internal auditing). The study uses self-reported cumulative GPA as a proxy for academic achievement.

STUDY RESULTS

The first test included comparison of students' responses in the two universities sampled. No statistically significant differences emerged between student responses in both universities on professional commitment or anticipatory socialization measures. Therefore, the following analyses treated both samples as one group.

In order to investigate the relationship between professional commitment and anticipatory socialization, correlation analysis was performed. Results are presented in Table 1.

Table 1: Relationship between Professional Commitment and Anticipatory Socialization (Perception of Financial Reporting) (N=128)

	Misstate	Disclose	Cost-Benefit	Responsibility	Total Perception
Professional Commitment	.22***	.23***	.04	.22***	.31***

*** Significant at the .01 level

The results indicated a statistically significant positive relationship between auditing students' level of anticipatory socialization, and their level of professional commitment. The only anticipatory socialization factor that was not significant was cost-benefit. H1 is therefore confirmed. The higher the level of students' perception of the importance of financial reporting, the higher their level of professional commitment.

The next hypotheses investigated the possible relationships between demographics, professional commitment and anticipatory socialization. ANOVA was conducted with professional commitment being the dependent variable and demographics factors the independent variables. Similar analyses were conducted with perception of financial reporting factors and the total score.

Regarding professional commitment, the only significant demographic factor was age. Nontraditional students (> 25 years old) were more likely to be committed to their profession (6.59) compared to younger traditional students (6.25). Academic achievement (GPA) was also not significant.

Regarding anticipatory socialization, several demographic factors emerged as significant determinants of perception of financial reporting. The results are presented in Table 2.

Gender was a significant predictor of students' perception of financial reporting, except for the responsibility factor. Generally, female students had a higher perception of the importance of financial reporting compared to males, except for the disclosure factor, where males believed that firms should disclose more information to users. Age was a significant predictor in only the disclosure factor. Nontraditional students were more likely to believe that firms should disclose more information to users compared to traditional students.

Regarding career choice, significant differences also emerged based on the student's preferred career after graduation. Generally, students interested in careers in government accounting were the most likely to believe in the importance of financial reporting, followed by those interested in private industry, those interested in public accounting and those interested in internal auditing.

Academic achievement (GPA) was a significant predictor of the total perception of financial reporting. Students with higher GPA were more likely to believe in the importance of financial reporting (.11; p=.09).

Table 2: The Impact of Demographics on Perception of Financial Reporting (N=128)					
	Misstate	Disclose	Cost-Benefit	Responsibility	Total Perception
Gender (N):					
Male	5.10***	4.89***	4.43***		4.89**
Female	5.68***	4.48***	5.03***		5.14**
Age (N):					
25 or <		4.58*			
> 25 years		4.77*			
Career (N):					
Public Acc.		4.90***		4.60**	5.02*
Private Acc.		4.59***		5.35**	5.12*
Government		4.92***		5.31**	5.21*
Int. Audit		4.33***		4.84**	4.75*
	N		*N*		*N*
Male:	*44*	*25 years or <:*	*70*	*Public accounting:*	*36*
Female:	*84*	*> 25 years:*	*58*	*Private accounting:*	*44*
				Government:	*30*
				Internal auditing:	*18*

*** Significant at the .01 level
** Significant at the .05 level
* Significant at the .10 level

DISCUSSION AND IMPLICATIONS

The current study investigated the relationship between accounting students' socialization experiences and their level of professional commitment. The results indicated a strong relationship between these two variables. Generally, students who were socialized to believe that financial reporting was very important to users were more likely to be committed to their accounting profession. This relationship is important because it indicated the need to start the socialization process very early in an accountant's career, even before he/she enters the workforce. Accounting instructors can benefit from this study's results be realizing the importance of reinforcing the accountant's primary responsibility to users and by treating students more like professionals (Mayer-Sommer & Loeb, 1981). Future research should examine whether accountants' anticipatory socialization experience is related to their early socialization experience on the job.

The study also found that academic achievement was an important predictor of an accounting student's perception of the importance of financial reporting. It seems that higher achieving students were more likely to perceive financial reporting as more important and therefore, were more likely to be socialized into the profession than other students. Whether these results hold true for accounting classes other than Auditing remains to be seen in future research. However, instructors should use these results to raise the academic standards in their accounting classes to maximize the anticipatory socialization experience of many students. For example, Benke & Hermanson (1993) suggested that instructors implement professional moments in every class. During these moments, instructors would update students on current developments in the accounting profession. The authors also argued that instructors should include exam questions on these professional developments to maximize students' participation.

The study also revealed that demographic factors were important determinants of accounting students' anticipatory socialization. Generally, females and nontraditional students were more likely to believe in the importance of financial reporting compared to males and younger students. Surprisingly, students interested in government accounting, an area that does not emphasize profit, were more likely to believe in the importance of financial reporting to users. The results also showed that students interested in careers in industry were more likely to believe in management's responsibility to report information compared to students interested in public accounting. The latter group only believed that management should disclose more information to users. Overall, students interested in industry careers were more likely to believe in the importance of financial reporting to users. In addition, students interested in internal auditing were the least likely to believe in the importance of financial reporting. A possible interpretation for this finding is that internal auditors focus more on effectiveness and efficiency within the organization and therefore are not as concerned about financial reporting as external auditors.

The current study's results should be interpreted in light of the following limitation: The sample was obtained from only undergraduate students in two universities. The results may not hold true if graduate students were considered and these students may not be representative of all accounting students.

Future research should focus on identifying more factors that can influence students' anticipatory socialization experiences. For example, are there individual factors such as idealism/relativism that can influence this experience? In addition, research should investigate whether anticipatory socialization is also related to organizational commitment. Also, do students' socialization experiences differ throughout their undergraduate years? These findings can be very useful to accounting instructors as they emphasize the importance of financial reporting in their accounting classes.

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RECOGNIZING THE ROLE OF THE FINANCIAL COMMUNITY IN STRATEGY FORMULATION: JUST HOW INTERDISCIPLINARY IS STRATEGIC MANAGEMENT EDUCATION?

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ABSTRACT

The multi-disciplinary nature of strategic management is irrefutably recognized by both practitioners and scholars. The fields of strategic management and finance both recognize and explain the firm's actions in the context of value maximizing behavior. Given the close association between the two disciplines, this paper investigates whether those of us who write texts and/or teach courses in strategic management are sufficiently recognizing the contributions of the financial community in the strategy formulation process. Our review of five popular texts suggests that neither the role of the financial community nor their perspectives are being adequately incorporated in the teaching of strategic management. We believe this lack of integration hurts the student learning experience but is easily rectified if we understand that the difference in focus is really just a matter of varying perspectives – is increasing shareholder value the primary target of the strategy formulation process or is it a byproduct of a process that is otherwise focused on improving the organization's long-term efficiency and effectiveness.

INTRODUCTION

Hill and Jones (2004) note for the reader in the sleeve of their hardcover textbook titled *Strategic Management: An Integrated Approach* that "the authors draw not only on strategic management literature, but also on the literature of economics, marketing, organizational theory, operations management, finance, and international business to deliver a perspective that is truly strategic in that it integrates these diverse disciplines into a comprehensive whole." It would not be presumptuous to say that this statement broadly reflects the beliefs of most text-book authors, faculty and also students. While strategic management is its own field with its own literature, it is irrefutably recognized that the field is, by its very nature, multi-disciplinary (Stephen, Parente, & Brown, 2002; Schneider & Lieb, 2004). Ireland mentions that, "Strategic management story's validity is a product of carefully integrating research results into [the] treatments of various subject matters" (Cameron, Ireland, Lussier, New, & Robbins, 2003:727). Even further supportive of this sentiment is recent trends in AACSB accreditation standards and scholarly calls in journals (Hamilton, McFarland and Mirchandani, 2000) for more integration across the entire business curriculum.

The question that motivates this paper is whether those of us who write texts, teach courses and do research in strategic management, adequately recognize the advisory role of the financial community (i.e., analysts and bankers) in strategy formulation and the types of practical capital market concerns that motivate their suggestions. The specific focus here is not on the use and understanding of financial controls and financial measurements as we recognize that to be addressed in texts and classes, but on the influence of the financial community and how that community's input provides direction to strategic decisions.

The focus of the paper is an investigation of the extent to which the role of the financial community and the arguments used by that community to promote different corporate strategy decisions are being recognized by those who teach and publish in the area of strategic management. We cannot review all teaching, research, and practice but believe that an examination of five widely used textbooks is a valid indicator of biases that may exist more generally across strategic management education. The results of our discussion are intended to highlight the integrative nature of the strategic management discipline and our goal in writing this paper is to initiate greater discussion and reflection among strategic management educators. There is neither the intent in this paper to suggest strategic management as the venue for a review of other disciplines, nor the intent to suggest that teaching and research in strategic management is being done across the field without any awareness of finance related theory. In the broadest sense, the question of whether the role of the financial community is being adequately recognized can never be answered and this paper does not presume to have such an answer. However, the authors believe our sampling of strategic management textbooks supports the assertion that the role of the financial community in explaining managerial behavior is underrepresented and needs to be incorporated and, in fact, may not be adequately incorporated in strategic management education.

The paper is organized into four sections. The first section begins by laying out a theoretical basis for discussion. Specifically, it shows that theory recognizes a role for the financial community in formulating strategy. It then provides a high profile example of how integral the financial community is in the strategy formulation process by exploring the evolution of the E-commerce mania of the late 1990s. In the second section, we survey prominent Business Policy and Strategy text-books to examine the rationale used to support acquisition, divestiture and spin-off strategies. We then list prominent financial theories and explanations for acquisition, divestiture and spin-off strategies. This section mixes theoretical finance reasoning with discussions of recent real-world cases where top managers can be seen to offer finance-based reasons for their strategic choices. Finally, the paper concludes with a discussion of results and offers some explanation and perspective as to why the financial community isn't more of a focus in strategy textbooks.

THE FINANCIAL COMMUNITY'S INFLUENCE

The process of strategy formulation, as discussed in the strategic issue diagnosis model (Dutton and Duncan, 1987; Dutton, Stumpf and Wagner, 1990; Ginsberg and Venkatraman, 1992) begins top managers recognizing an emerging strategic issue*, i.e., new developments, events or trends that have the potential to affect organizational performance* (Ansoff, 1980). In the strategic issue diagnosis model, once a strategic issue is recognized, top managers begin to assess issue urgency and issue feasibility. Throughout this process of issue recognition and assessment, it is understood that managers seek out relevant organizational stakeholders (Mitroff, 1983; Freeman, 1984) as important sources of information to help them make their decisions. The role of the various stakeholders in the decision-making process varies with context, but it is clear that some stakeholders take more passive roles as solely suppliers of information while others behave more actively as influencers (Donaldson and Preston, 1995). The financial community, investment bankers and analysts, has always had a role in the strategic management process as influencers and recent evidence would suggest that role is only growing.

Investment bankers provide necessary expertise to help firms issue additional shares of stock, spin-off assets or acquire new assets. They have historically been recognized as direct influencers of firm strategy, but only after they have been hired by firms to implement an already formulated strategy. Rolfe and Troob (2000: 106), two former investment bankers, observed that the role of the investment banking house has shifted in recent years so that they are becoming increasingly important as influencers of strategy even while the firm is in the formulation stage. With increased competition for clients, "the new business pitch has gained importance as the bankers' core activity."

> They [bankers] can no longer rely on a relatively small number of loyal clients to generate advisory business for them year in and year out. They now have to spend a much larger portion of their time scrambling to find new clients and new business. To justify their existence, they now have to go out and pitch ideas to whomever will give them an audience in the hope that just a few of the potential clients will sign on for the program (Rolfe and Troob, 2000: 100).

Financial analysts have historically maintained a lower profile than investment bankers and have simply done their job by working 'behind-the-scenes' to provide investors with information (Moyer, Chatfield and Sisneros, 1989). They have indirectly influenced firm behavior through the effect that changes in analyst buy, sell and hold recommendations (Elton, Gruber, and Grossman, 1986; Ho, 1995) and changes in earnings estimates (Benesh and Peterson, 1986; Elton, Gruber and Gultekin, 1981; Imhoff and Lobo, 1984; Stickel, 1991) have on the demand for and prices of the firm's securities. More recently, their importance as influencers of strategy has grown as their visibility in the media has grown. Analysts are becoming increasingly prominent as public figures through television appearances and interviews with financial publications (Kuperman, Athavale and Eisner, 2003). As DeBondt (1995: 13) observed, “we all know that investors chase the celebrities” and firms are aware of which analysts are celebrities. Anecdotally, it is difficult to follow the business press and not have heard of Abbey Joseph Cohen for example. With this in mind, firms are increasingly considering the opinions of analysts more directly in their decision processes (Kurtz, 2000).

While the importance of the financial community is not necessarily news to academic scholars, the increasingly high profile of this community in the strategy formulation process necessitates that students have an even greater understanding of the finance theory and practice if they are to really understand real world phenomena. To highlight this point, consider the E-commerce mania of the late 90s that helped fuel the stock market bubble. In the case of E-commerce, financial community input and support was critically important as firms found funding for their ‘new’ business models and shareholders found immediate short-term windfalls. While the example is recognized (in retrospect) as an example of questionable long-term decision-making, it does highlight the centrality of the financial community in the corporate strategy formulation process. E-commerce, effectively implemented (consider firms like Amazon, Ebay, and Dell), can allow firms to enhance revenues by creating better customer value and reduce costs by improving supply chain efficiencies. However, as the bubble has shown, many firms embarked on less effective strategies as the ‘frenzy’ to go online grew. Frank J. Drazka, managing director and head of technology investment banking at PaineWebber Inc. observed in June, 1999 that “It was easy for people up front to dismiss online business as the flavor of the day, but in the last year there have been a lot of board meetings in which management was asked, ‘How do we compete against the newbie on the block?’ (Byrnes, 1999).” As E-commerce questions became increasingly prevalent in June of 1999, the importance of the financial community in helping provide the answers only seemed to grow. Financial analysts were there to question the competitive strategy of companies that did not incorporate E-commerce in their plans, and investment bankers were ready to offer advice for companies wishing to profit from their E-commerce investments.

The possibility of increasing shareholder value prompted many firms (consider Barnes and Noble and Toys R Us) to embark on online strategies. In response to the threat posed by Amazon, Barnes and Noble created its own online division in 1997 and later spun-off the subsidiary with an initial public offering in 1999 raising more than $430 million (Mateyaschuk, 1999). Similarly, Toys-R-Us responded to a threat from online retailer Etoys by creating its online business unit. In the case of Barnes and Noble, the spin-off and IPO led to sub-optimal business strategy and structure for both the online and traditional Barnes and Noble companies. Separating the two businesses was a big mistake, says Carrie Johnson, an analyst at Forrester Research Inc. She believes it left the chain ‘‘unable to leverage the name and get synergies.’’ (Brady, 2000: 63). While Barnes and Noble received considerable cash flows from the IPO of the online division it also lost considerable synergistic opportunities with the core bookselling operations. The development, launch, and operation of toysrus.com turned out to be both a corporate and public relations headache for almost a year, reportedly prompting the resignation of Toys “R” Us Inc. CEO Robert Nakasone. The spin-off decision represented an immediate short-term windfall for shareholders but possibly at the expense of long-term operational considerations. The critical strategy decision to engage in e-commerce and the subsequent spin-off decision were clearly influenced by the financial community. While the appropriateness (or otherwise) of those influences can certainly make the topic of another discussion, and while the outcome of those decisions can long be debated in hindsight; the role of the financial community in influencing business strategy formulation processes cannot be ignored.

A SURVEY OF TEXTBOOKS

We selected and reviewed five popular textbooks (listed in Table 1) that have a track record of academic acceptance as evidenced by the publishing of numerous editions. As the intent of this article to illustrate a potential weakness and engage scholars in a discussion of the need to incorporate the influence of the financial community in the teaching of strategic management, we feel that such a sample is both representative and adequate.

Table 1: List of Textbooks Surveyed

Text	Author(s)	Title	Publisher
1	Michael A. Hitt, R. Duane Ireland & Robert E. Hoskisson	Strategic Management: Competitiveness and Globalization (6th Ed.)	Thomson: South-Western
2	Arthur A. Thompson & A. J. Strickland	Strategic Management: Concepts and Cases (13th Ed.)	McGraw-Hill Irwin
3	Charles W. L. Hill & Gareth R. Jones	Strategic Management: An Integrated Approach (6th Ed.)	Houghton Mifflin
4	Thomas L. Wheelen & J. David Hunger	Strategic Management and Business Policy (9th Ed.)	Prentice Hall
5	Fred R. David	Strategic Mangement: Concepts and Cases (8th Ed.)	Prentice Hall

To gauge the extent to which the textbooks listed above incorporate the relevance of the financial community as stakeholders in the process of influencing corporate strategy, we surveyed the various textbooks for references to the term ‘stakeholders’ and present a summary of their discussions in Table 2.

Table 2: Stakeholder Discussion	
Text	**Discussion**
1	*Page 22*: Stakeholders are the individuals and groups who can affect, and are affected by, the strategic outcomes achieved and who have enforceable claims on a firm's performance. *Pages 22-26*: Discusses three types of stakeholders including capital market (shareholders and suppliers of capital), product market (customers, suppliers, communities, unions) and organizational (employees, mangers, non-managers). *Page* 24: In the discussion of capital market –"Maximization of returns sometimes is accomplished at the expense of investing in a firm's future. Gains achieved by reducing investment in research and development, for example, could be returned to shareholders, thereby increasing the short-term return on their investments. However, this short-term enhancement of shareholder wealth can negatively affect the firm's future competitive ability"
2	*Page 65*: Mentioned in the context of ethical practices – "Every business has an ethical duty to each of five constituencies: owners/shareholders, employees, customers, suppliers, and the community at large. Each of these constituencies affects the organization and is affected by it. Each is a stakeholder in the enterprise, with certain expectations as to what the enterprise should do and how it should do it."
3	*Page 374*: "A company's stakeholders are individuals or groups with an interest, claim, or stake in the company, in what it does, and in how well it performs." *Pages 374-380*: Discusses two types of stakeholders, internal (stockholders, employees, managers, board members) and external (customers, suppliers, creditors, governments, unions, local communities, general public). In the discussion titled 'The Unique role of Stockholders', the text mentions that "The capital that stockholder provide to a company is seen as risk capital ... Recent history demonstrates all too clearly the nature of risk capital." An example is than provided of how stock prices can fluctuate, but no market-focused explanation is given. Discussion on page 378 notes that some stakeholders compete with each other and therefore may negotiate for resources without thinking of the firm's long-term benefit. Specifically, discussion cites suppliers, customers and employees with examples of when they would not be motivated to maximize the firm's long-term return on invested capital.
4	*Page 39*: "A corporation's task environment includes a large number of groups with interest in a business organization's activities. These people are referred to as corporate stakeholders because they affect or are affected by the achievement of the firm's objectives." *Pages 39-40*: Text in a very general manner points out that stakeholders have competing claims on the organization and that not all claims can be equally satisfied and managers must therefore prioritize (*page 181* has a stakeholder priority matrix). *Page 249*: In a chapter on 'Evaluation and Control', text shows a table with stakeholder categories that include customers, suppliers, financial community, employees, congress, consumer advocate and environmentalists. The table lists possible near-term and long-term measures of success for each category. For financial community, it lists near-term measures of EPS, stock price, number of 'buy' lists and ROE. Long-term measures include growth in ROE and "ability to convince Wall Street of strategy."
5	*Page 64*: Stakeholders include employees, managers, stockholders, boards of directors, customers, suppliers, distributors, creditors, governments (local, state, federal and foreign), unions, competitors, environmental groups, and the general public. Stakeholders affect and are affected by an organization's strategy ..." *Page 64-66*: Text discusses that stakeholders have competing claims on the organization and that not all claims can be equally satisfied.

There is general agreement among the texts that stakeholders impact and are impacted by the firm's behavior. However, the books do not uniformly identify stakeholder groups. The following is a list of financial community stakeholders listed in the five texts: Text 1 identified shareholders and suppliers of capital, text 2 identified owners/shareholders, texts 3 and 5 both identified stockholders and creditors, text 4 only listed stakeholders by name in a table in the section on control where it did mention the financial community as a stakeholder group.

Both texts 1 and 3 discuss the dilemma a firm faces as some decisions can maximize shareholder wealth in the short-term at the expense of the long-term. We believe that this issue cannot be fully understood without recognizing the forces in the financial community that drive decisions regarding shareholder wealth maximization. Only text 3 though provides any discussion that moves towards recognition of the importance of the financial community as an active stakeholder with an impact on the strategy process. It explicitly mentions stockholders, their function in providing risk capital, and discusses stock market fluctuations in that context. However, even this discussion lacks once again as it fails to fully explore the impact of those stock market fluctuations on the strategy process and the key role played by analysts and bankers in this context. Text 4 identifies the stakeholder group as the financial community and identifies the "ability to convince Wall Street" of the firm's strategy as a possible measure of success. However, this is done in a table with many stakeholders and success measures. There is no independent discussion that builds on this to clearly point out the role of the financial community and its importance. Further, the wording in the table implies that firms 'convince' Wall Street as to the success of their strategy after the fact but does not allow for the possibility that Wall Street can similarly 'convince' firms of the strategy to adopt.

Acquisitions and divestitures are significant strategic events in the life of a company. The five texts were surveyed for content related to each of these strategies, and the theoretical rationales provided to support each of these strategies are summarized in Table 3 (acquisitions) and Table 4 (divestitures).

Table 3 identifies the many stated benefits from an acquisition. These benefits focus on either improving the firm's internal capabilities/asset base or on its ability to manage its external environment, but do not explicitly focus on the role of acquisitions in maximizing shareholder wealth – a focus of finance theory and a primary goal of real world practitioners. Specifically, the concern is not that strategy texts aren't instructing students in terms of running financial numbers (e.g., ROI, ROA, profit margins, etc.), but that the texts are not recognizing how financial community experts will sometimes promote strategies to management solely on the basis of a short-term motivation to generate shareholder return in terms of capital market pricing. This will be made clear in our later discussion of specific finance theories and real-world examples.

Table 3: Acquisition	
Text	**Acquisition Discussions**
1	*Page 204*: "Reasons for Acquisitions" section lists the following sub-headings - 1. Increased Market Power 2. Overcoming Entry Barriers 3. Cost of New Product Development and Increased Speed to Market 4. Lower Risk Compared to Developing New Products 5. Increased Diversification Text here refers back to an earlier chapter that outlined the benefits of related diversification (operational relatedness where activities are shared, corporate relatedness where core competencies are transferred, and market power advantages) and unrelated diversification (efficient internal capital market allocation and restructuring abilities). 6. Reshaping the Firm's Competitive Scope 7. Learning and Developing New Capabilities *Page 251*: Following is a quote from the International Strategy chapter - 1. Can provide quick access to a new market
2	*Page 177-178*: The following benefits are directly quoted from the text - 1. Can dramatically strengthen a company's market position and open new opportunities for competitive advantage. 2. Combining operations with a rival can fill resource gaps 3. Stronger technological skills (this was also cited on *page 228)* 4. More or better competitive capabilities 5. A more attractive lineup of products and services 6. Wider geographic coverage 7. Greater financial resources with which to invest in R&D, add capacity, or expand into new areas 8. Build a market presence in countries where [companies] do not presently compete *Page 303*: In a discussion on unrelated diversification strategies, the text identifies two types of "acquisition candidates that offer quick opportunities for financial gain because of their 'special situation'." They are - 1. Companies whose assets are undervalued 2. Companies that are financially distressed *Page 309-310*: In a discussion on different strategies for entering a new business, the text identifies specific benefits of the acquisition approach, using direct quotes, as follows - 1. A quicker way to enter the target market than trying to launch a brand-new operation from the ground up. 2. An effective way to hurdle such entry barriers as ...
3	*Pages 350-351*: In a section titled 'Attractions of Acquisitions', the text identifies various reasons for using acquisitions as an entry strategy. The following are directly quoted from the text as reasons firms choose the acquisition approach - 1. With regard to diversification (or vertical integration), companies often use acquisition ... when they lack important competencies (resources and capabilities) required to compete in that area [Diversification was earlier noted in the text to provide firms with opportunities for the transferring of competencies, leveraging of competencies, sharing of resources to gain economies of scope, and management of rivalry through multipoint competition.] 2. When they [i.e., acquiring companies] feel the need to move fast 3. Is also perceived to be somewhat less risky than internal new ventures

Table 3: Acquisition	
Text	**Acquisition Discussions**
	4. The industry to be entered is well established and incumbent enterprises enjoy significant protection from entry barriers
4	*Pages 139-145*: Text identifies mergers and acquisitions as methods for implementing a growth strategy. Growth strategies can be directed towards continued concentration on current product lines (vertical and horizontal integration strategies), diversification into new product lines (related and unrelated diversification) or international expansion.
5	*Pages 180-182*: In a general discussion of mergers and acquisitions, the text summarizes reasons to pursue such a strategy with a bullet point list that is as follows - 1. To provide improved capacity utilization 2. To make better use of the existing sales force 3. To reduce managerial staff 4. To gain economies of scale 5. To smooth out seasonal trends in sales 6. To gain access to new suppliers, distributors, customers, products, and creditors 7. To gain new technology 8. To reduce tax obligations

As can be seen in Table 4, the focus of the textbooks in the case of divestitures and spin-offs is clearly on the firm's internal environment and trying to change the state of that environment. We are pleased to see text 3 clearly recognizing that divestitures occur with stock market as well as internal environment motivations. However, as will be made clearer in the next section focused on finance theories, the choice of divestiture method is complex and very much motivated by expectations for shareholder return. The text does not address the method of divestiture at all.

Table 4: Divestiture and Spin-off	
Text	**Divestiture Discussions**
1	*Page 215*: Text gives one basic reason for divestiture (spin-offs are a type of divestiture in this context) - "Regardless of the type of diversification strategy implemented, however, declines in performance result from overdiversification, after which business units are often divested." *Pages 220-221*: In a discussion on downscoping (term includes divestiture, spin-off and liquidation strategies), text focuses on managerial loss of focus noting that "downscoping is described as a set of actions that causes a firm to strategically refocus on its core businesses." *Page 325*: In a discussion of managerial defense tactics to avoid takeovers, text notes "some defense tactics require asset restructuring created by divesting one or more divisions..."
2	*Page 315*: Text clearly defines divestiture as taking one of two forms including "spinning the business off as a financially and a managerially independent company or selling it outright." *Page 347*: Drawing from terminology used in the BCG matrix, the text identifies a two-stage harvest-divest strategy. It notes that in the divestiture decision, "corporate managers should rely on a number of

Table 4: Divestiture and Spin-off

Text	Divestiture Discussions
	evaluating criteria: industry attractiveness, competitive strength, strategic fit with sister businesses, resource fit, performance potential (profit, return on capital employed, economic value added, contribution to cash flow), compatibility with the company's strategic vision and long-term direction, and ability to contribute to enhanced shareholder value"
3	*Page 221*: "A divestment strategy rests on the idea that a company can maximize its net investment recovery from a business by selling it early, before the industry has entered into a steep decline." *Pages 358-359*: In a section titled 'Why restructure?' the text identifies exit strategies including divestiture, harvest and liquidation. In the section on divestiture (defined as the outright sale of a unit), it also defines a spin-off and notes that this approach "makes good sense when the unit to be sold is profitable and the stock market has an appetite for new stock issues." No other comments on this approach are offered. *Pages 358-359*: In the section titled 'Why restructure?', the text also notes that stock prices are often lowered by something called the diversification discount and defines it as "the empirical fact that the stock of highly diversified companies is often assigned a lower valuation relative to the earnings of less diversified enterprises." It notes two reasons for this discount - 1. "Investors are often put off by the complexity and lack of transparency in the consolidated financial statements of highly diversified enterprises." 2. "Many investors have learned from experience that managers often have a tendency to pursue too much diversification, or diversify for the wrong reasons, such as the pursuit of growth for its own sake, rather than the pursuit of greater profitability." Additionally, the text notes that "restructuring can also be a response to failed acquisitions."
4	*Page 148*: "If a corporation with a weak competitive position in its industry is unable either to pull itself up by its bootstraps or to find a customer to which it can become a captive company, it may have no choice but to sell out." *Page 150*: "If a company has multiple business lines and it chooses to sell off a division with low growth potential, this is called divestment." *Page 293*: "If both the strategic importance and operational relatedness of the new business are negligible, the corporation is likely to completely sell off the new business ..." The rest of the related text defines spin-offs and leveraged buyouts in terms of their technical operational parameters.
5	*Page 173*: The text identifies in bullet point format the following six guidelines when divestiture may be an especially effective strategy to pursue - 1. When an organization has pursued a retrenchment strategy and failed to accomplish needed improvements 2. When a division needs more resources to be competitive than the company can provide 3. When a division is responsible for an organization's overall poor performance 4. When a division is a misfit with the rest of an organization; this can result from radically different markets, customers, managers, employees, values, or needs 5. When a large amount of cash is needed quickly and cannot be obtained reasonably from other sources 6. When government antitrust action threatens an organization

APPLICATION OF FINANCE THEORIES TO STRATEGY

The previous section of the paper discussed rationales listed in strategic management textbooks for the major corporate strategy decisions of acquisitions and divestitures. We obviously cannot review in the context of this paper the full breadth of financial theories that might be relevant to understanding the finance perspective on strategy. However, one thing that is clear in all finance theory is that the primary focus of the strategic management process is to create financial market returns for shareholders. Jensen and Meckling (1976) wrote a particularly well-known paper recognized across a variety of business disciplines that helps to explain why finance literature and practice focuses so strongly on the financial markets as the primary dependent variable in measuring managerial and firm effectiveness. They showed that the separation of management from ownership which is generally inherent in the corporate form of business imposes significant agency costs. These agency costs can be mitigated by expending resources to monitor management and relying on markets (labor and financial) to establish mechanisms for preventing the expropriation of wealth. However, the greater dispersion of individual stock ownership, passive ownership by many institutional investors, weak corporate governance structures, and the increasing use of takeover defense mechanisms imply that proxy fights for management control are rare and often futile, and thus the labor market is not an effective mechanism to discipline and control managerial action. In this scenario, financial markets may act as a mechanism to influence managerial actions. Displeasure at corporate strategy is often immediately evident in the prices of the firm's public financial contracts (for example, stocks and bonds) and expectations of such market reactions serve as the mechanism to influence corporate policy and strategy.

The remainder of this section will show a variety of common practitioner rationales behind the decision to acquire or divest along with prominent examples and a quick review of some of the finance theory that is used to support those rationales.

RATIONALES FOR DIVERSIFICATION THROUGH ACQUISITIONS

Increasing earnings per share (EPS) growth rates. If a stock is recognized in the investor marketplace as belonging in the category of a 'growth' stock, investors will price the stock with a higher price to earnings (P/E) ratio. If growth in earnings is not maintained, the market will no longer consider the investment as a 'growth' stock and will lower the P/E ratio (and consequently a lower stock price) to reflect the lower expectations for earnings growth. Such firms often acquire other firms in order to sustain the earnings momentum. For example, in December, 2004, Johnson and Johnson made a $25 billion tender offer to acquire the shares of Guidant Corporation. Glenn Novarro, the medical device analyst at Banc of America Securities observed that "from a sector point of view, what often drives consolidation in a sector is the need of bigger companies to grow.

When I look at my sector, internal development is not going to allow many of these companies to make their growth objectives (Herper, 2004)."

Using over-valued stock as currency. Going back to Sharpe (1964), finance theory has relied on the capital markets pricing model in helping to determine the viability acquisitions. This model considers the method of payment used in the acquisition as a key variable. For an acquisition to be viable, the proposed acquisition must generate returns that exceed all costs, including the acquiring company's cost of equity capital. Companies that generate actual returns exceeding the return predicted by the model would be better served using cash as the payment mechanism while other firms would be better served using stock.

Occasional short-term inefficiencies in recognizing and correctly pricing the future may result in stock prices that appreciate beyond the long-term rational price that valuation analysis would warrant. As rational assessors of information, top managers inside these companies are aware that this over-valuation is occurring and recognize as per the capital asset pricing model that they have the opportunity to use their stock as currency to buy more fairly valued assets. High P/E firms are thus often able to 'buy' growth by using stock as a currency in acquisitions.

A perfect example of this phenomenon was JDS Uniphase (JDSU) during the stock market bubble of the late 1990's. JDSU engaged in many acquisitions which were financed with stock, which at its peak stock price in March 2000 was worth 146 dollars per share; while more recently, the stock has sold for less than 2 dollars per share. With the telecom crash and the bursting of the Nasdaq bubble, many of these acquisitions ended up being non-performing assets and had to be written off as goodwill on the accounting statements. The impact was so severe that in the last quarter of 2001, JDSU was indicating a trailing 12 month loss of over 51 dollars per share (for a stock that has recently traded under 2!).

RATIONALES FOR DIVESTITURES AND SPIN-OFFS

Managers of firms that straddle industry classifications often face pressure to focus on a "core" business and divest the other businesses, in order to be "better understood" by investors and analysts. Investors often find it easier to invest in a more transparent company with focused assets, (sometimes referred to as 'pure-plays' on Wall Street). They are more certain of how to value such assets. Zuckerman (1999), as just one example of research in this area of finance, showed that industry specific analysts are unable to correctly value a firm that operates in multiple industries and that this can lead to less coverage by analysts and reduced demand for the stock. He called the resulting loss in market capitalization for the firm the 'illegitimacy' discount as people shy away from products that are not legitimized by industry analysts.

Firms will divest assets to avoid the stock market valuation problems created by having these unrelated, non-core assets. In strategic management terminology, this can be viewed as the equivalent of a negative synergy effect. Whereas synergy is classically defined by the phrase that 'the whole is worth more than the parts', the rationale here is exactly the opposite and might be phrased as ‘the parts are worth more than the whole’. If synergy is reflected mathematically as 2+2=5, the decision to divest is reflected as 5=2+4. Divestitures can be focused, broadly speaking, on increasing shareholder value in either of two ways as shown below.

Divest non-core assets to recognize the real value of those assets. To unlock value of ‘hidden’ assets that have intrinsic value not being recognized by the financial markets, companies will often divest (more prominent assets will often be spun-off to shareholders with an initial IPO as well). As an example, there’s the cases mentioned earlier in the paper of Barnes and Noble and Toys-R-Us where the sole motivation for spinning off the online businesses was to release the ‘hidden’ asset value of the spun-off assets. Investment banking firms were known to have "pitched" spin-off ideas by using comparable multiples analysis (relevant comparisons being Amazon and Etoys). Comparable multiples analysis is a finance technique for doing valuation analysis that simply compares "similar" companies/assets to one another and sees what PE ratios and stock prices are being rewarded to competitors (Rolfe and Troob, 2000).

Divest non-core assets in order to fully recognize the real value of core assets. When Target divested its smaller Marshall Fields and Mervyns assets, the purpose was not to raise cash or unleash the value of those assets for shareholders. The analysts made it clear that the benefit to Target would be in the ability of investors to more cleanly compare Target's superior performance against that of its primary competitor, Wal-Mart. Deutsche Bank analyst Bill Dreher had a very positive opinion of the divestitures noting that "now it will be a pure play in the discount stores segment. There will also be a clean discount-store story of Target to Wal-Mart (Waters, 2004)." Basically, while Target owned the other two department store franchises, its financial numbers were on the surface indicating a lower level of performance in terms of the discounter segment than was actually being achieved.

CONCLUSION

The focus of this paper has been to provide strategic management scholars and educators with additional perspective that they may not otherwise have had. By so doing, we hope to help promote a dialogue on the extent to which strategic management courses acknowledge the influence of the financial community in the strategy formulation process and whether we can do a better job in integrating that perspective.

A sampling of prominent textbooks from the field of strategic management shows that, as can be expected, the textbooks place great emphasis, on the key roles of customers, competitors and suppliers as important stakeholder groups; however, they do not adequately and explicitly acknowledge the key role played as well by the financial community as stakeholders who have a great deal of influence on the strategic decision making process. This paper’s sampling of textbooks also looked at how the textbooks address the key corporate level strategic decisions of acquisition and divestiture and have once again similarly found the textbooks lacking. In contrast to textbook discussions on these topics, we have also identified various prominent financial theories and rationales which are relevant in real-life decision making and which we believe can be expected to be relevant in strategic decision making.

We believe that these omissions in strategy texts can be understood best in the context of differing perspectives. It is a matter of whether one views increasing shareholder value as the primary target of the strategy formulation process or as a secondary byproduct of a process that is otherwise focused on improving the organization's long-term efficiency and effectiveness.

In strategy textbooks and classes, it is often a taken for granted assumption that shareholder value can only be changed as a result of creating better and more well-conceived strategy. Strategic management largely emphasizes the asset side of the corporate balance sheet, focusing on the firms as a collection of operational assets competing in a product or service market. As an example, a primary theme shared across all strategy texts in their corporate strategy discussions is a focus on the very important topic of relatedness. Since Rumelt (1974), all strategy researchers have recognized the importance of this concept and its ability to explain diversification in terms of a rational motivation to share knowledge/skills between business units. Implied is the assumption that relatedness benefits will produce shareholder value. Hence, shareholder value is a natural byproduct of a well-formulated and properly implemented strategy; but it is never the direct concern of strategic thought. It is simply correlated with successful strategy that provides the 'greatest good for the greatest number' of stakeholders.

Conversely, practitioners in the financial community clearly do not see shareholder value as simply a desirable byproduct of a long-term strategy focused on organizational betterment. For financial community practitioners, shareholder value is the primary dependent variable and all their actions are motivated towards increasing shareholder value. Therefore, real-world financial community experts recommend strategies to firms solely based on expected capital market reactions. The fact that firms respond to these recommendations is a reality not recognized in strategic management texts. On the extreme, this capital markets focus can become so dominant a concern as to cancel all other more 'rational' considerations from view. Berkshire Hathaway Inc., headed by CEO Warren Buffett, noted this problem in its 2003 Annual Report when it stated in its letter to the shareholders:

> "A more common problem is a shareholder constituency that pressures its manager to dance to Wall Street's tune. Many CEO's resist, but others give in and adopt operating and capital-allocation policies far different from those they would choose if left to themselves."

In a professional setting like business and especially in the context of strategic management, teachers must descriptively prepare students for the practitioner's reality as well as to try to prescriptively influence thought and behavior for the future. Strategy textbooks are not wrong if they focus on management theories and recognize finance as far as it concerns financial measurement tools, but they appear to be incomplete in not recognizing the importance of the financial community in corporate strategy decisions and not attempting to explain to students the attendant rationales. Strategic management's "story validity" can be improved by integrating the research results of both management and finance into the textbook treatments of the subject matter (Cameron, Ireland, Lussier, New, & Robbins, 2003).

In terms of both scholarship and teaching, it is essential to recognize business reality as it exists and not as we would like to see it. Competing theories may be complementary in their application, and an understanding of financial market influences on corporate strategy will help us to understand and improve on that reality.

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STUDENT PEER EVALUATIONS IN BUSINESS EDUCATION: A WEB-BASED ADMINISTRATION

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ABSTRACT

Peer evaluations can play an important formative and evaluative role in team based, collaborative learning; however, collecting and analyzing data from these evaluations is labor intensive for the instructor. This article discusses a solution that is easy to learn and saves implementation time. Using a web-based survey software and common spreadsheet and database tools, the authors describe their multi-year usage of peer evaluations and their successful conversion to a web-based administration. Details to aid other instructors in design and implementation of this process are given. Business instructors with basic software skills should be able to use this process resulting in a considerable savings in time and effort.

INTRODUCTION

As the use of teams has risen in organizations, business schools have mirrored by incorporating team work across the curriculum. The logic of teaching team skills is evident since the ability to work cooperatively is sought by many employers (Kolb, 1999; Ravenscroft, 1997) and has been argued to be positively related to organizational productivity in the global marketplace (see Young & Henquinet, 2000).

At the same time, collaborative and cooperative learning has received extensive academic attention (Lejk and Wyvill, 1996). The literature identifies multiple benefits of doing of team and group learning, including the establishment of a peer group to work with outside of class (Brooks and Ammons, 2003), the potential to improve critical thinking skills (Macpherson, 1999), as well as the development of insights into group dynamics, group decision making, conflict resolution and improved interpersonal skills (Kolb, 1999; Mello, 1993; Young & Henquinet, 2000).

Unfortunately, along with the benefits of team learning, problems and challenges arise for instructors. Areas of concern often include free rider/social loafing problems, challenges regarding how to effectively develop individual member team skills, and issues regarding how to assign grades to individuals for team projects.

One potential method of addressing these problems is to use peer evaluations. Peer evaluations may be utilized for a variety of purposes for group work across the business education curriculum (Young and Henquinet, 2000). Data collected with these instruments hold promise for effective formative development (Topping, 1998), reduction of free rider problems (Brooks and Ammons, 2003), and assignment of an appropriate grade based upon an individual's contribution and interaction with the team (Lejk and Wyvill, 2001).

While pedagogically it may make sense to employ peer evaluations, a practical issue arises. It is extremely time consuming to collect the information from the class, process the scores or ratings and qualitative commentary for each student, and put the results into a meaningful format. Instructors may find this time commitment burdensome in small to medium-sized classes and nearly prohibitive in larger classes. These processing requirements, which may result in feedback not arriving to the students in time for them to modify their behavior, may unfortunately result in peer evaluations being underutilized.

One potential solution to the time problem is to employ technology for administration; however, the use of technology poses yet other challenges for instructors, who may be reluctant to invest the time and energy needed to learn and employ technology that is new to them. In a recent survey of business faculty, Peluchette and Rust reported that, "Time constraints were viewed by 75% of the faculty members as limiting their ability to learn new instructional technologies and by 50% as limiting their interest in using new technologies" (2005: 202). Clearly, if technology is to be employed, it must be easy to learn and result in significant time savings.

Our purpose is to discuss an implementation of a web-based peer evaluation system that addresses this time consumption problem from the perspective of adoption and implementation. We will discuss the peer evaluation system that we developed using a Behaviorally Anchored Rating Scale (BARS) and the difficulties we encountered when executing it through a paper and pencil approach. We then discuss how we used a web-based survey software and other commonly used computer tools to process the information from the peer evaluations rapidly and effectively, thereby greatly increasing our efficiency. Additionally, the data collected by the web-based survey software allowed us to easily calculate indices for individuals in order to determine their grades, and to feed back formative midterm information to students in a timely manner.

EARLY EXPERIENCE WITH PAPER AND PENCIL

Our experience using our paper and pencil BARS peer evaluation spans four years. We have applied it to team assignments for undergraduates at the 200/300/400 level as well as with MBA students. We used the scale for both providing developmental feedback and assigning grades. The scale was initially designed based upon the work of Smith and Kindall (1963). The expected team behaviors were identified by first gathering a variety of peer evaluations from various sources and asking students to provide feedback on which behaviors they believed were most critical to their teams. The behavioral categories included: being on time for class and meetings, coming prepared to team meetings and class, completing assigned tasks on time, communicating with team members (returning calls, emails, etc.), participating with the group/offering ideas and input, listening and considering the ideas of others, taking on their share of the work, and producing high quality work (see the Appendix).

Based on these behavioral categories, students were again used to identify the behaviors thatconstituted different levels of performance within each category. For example, behaviors for the group participation category ranged from "Gave excellent input to group, participated at every meeting" to "Never got involved in meetings; did not offer input" with three intermediate levels of behavior. Since the initial drafting, the scale has been revised with individual student and focus group feedback. Additionally, the scale is slightly adjusted to meet the particular circumstances of a course (for example, the number of absences from class for an undergraduate class that meets three times a week vs. an MBA course that meets once a week).

In this earlier work, we implemented BARS by distributing paper instruments to students. Each student was given a grid consisting of behavioral categories and team member names. They then rated each of their peers in each category using the behavioral scales provided. Each student was also asked to supply open comments regarding the scores they assigned. This administration method required a large amount of manual processing, as each student's ratings of each of his/her team members were entered into Microsoft Excel. Once the responses were entered into the spreadsheet, they were sorted first by team and then by student. An average rating was computed in Excel for each team and each student in each of the eight behavioral categories. An overall mean score was then computed for each team and each individual by averaging the means of the eight categories. While this implementation weighted each of the eight categories equally, it is also possible to give different weights to the categories within this step. Lastly, we computed multiplication factors for each student by dividing the student's overall mean score with the team's overall score.

The instruments were generally administered at the end of the semester for the purpose of assigning grades. Each student's computed factor was multiplied by the team project grade to arrive at the individual grades. In several instances, we also used midterm formative evaluations, and in these cases the open-ended comments were typed out and returned to the students along with the numerical results.

This approach to peer evaluations was successful in that it allowed us to compute, based upon the team average, individual grades reflecting each student's task and social behaviors. Additionally, by giving students the scale early in the semester, they were made aware of how their behavior within their team would impact their individual grade.

While this peer evaluation system served its ultimate purpose, its execution was extremely labor intensive. Each student rates each teammate (including him- or herself) on eight behaviors. With teams of five students, the rating data for one team constitutes 200 numerical values to be entered into Excel. In a class of twenty students, 800 values would need to be entered, and this increases to 2000 values for a class of 50 students. Once entered (hopefully correctly), these data then had to be manipulated so that averages could be computed and multiplication factors calculated. Each term, we struggled with these data in order to meet final grading deadlines.

An additional disadvantage of this system arose when we wished to include qualitative feedback for formative purposes, as all student comments had to be typed and formatted for distribution to the students. When we did do the mid-term evaluations, it required that we enlist the aid of multiple graduate assistants, working diligently with us on the project over a week-long period, in order to provide feedback in a timely manner.

After several years of paper and pencil administrations, and several arduous attempts at providing mid-term formative feedback, the search for a better method began.

ELECTRONIC IMPLEMENTATION

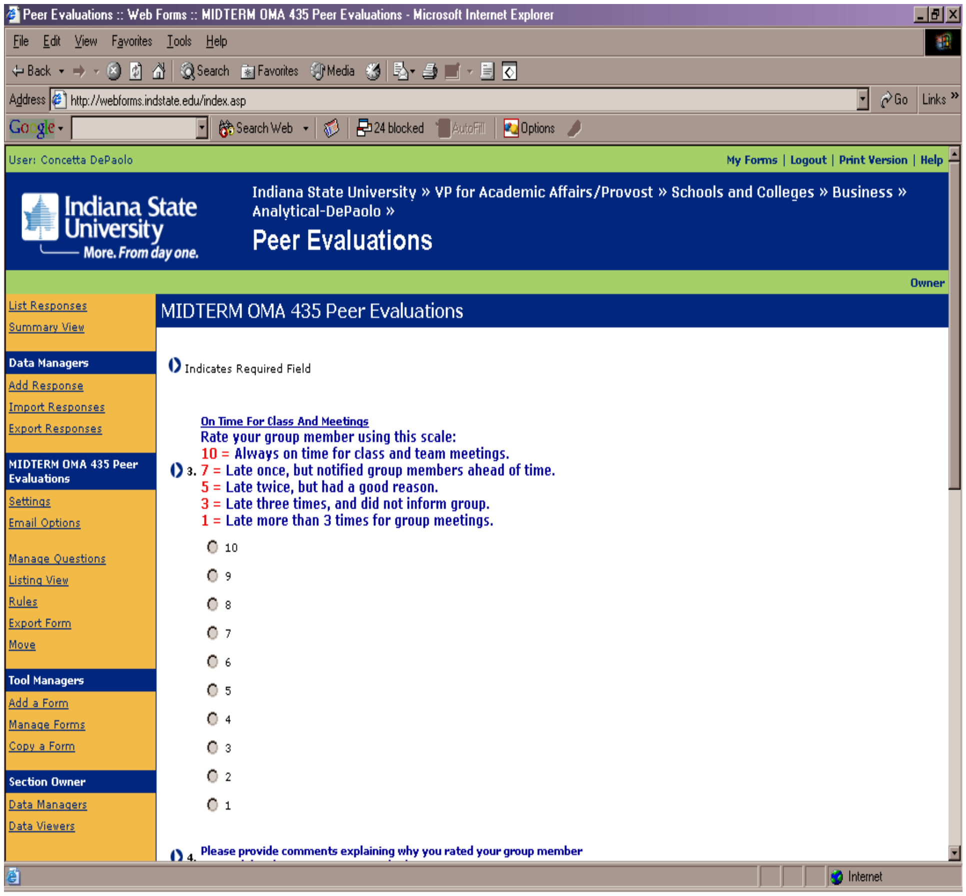
Web-Based Data Collection Form

To address the deficiencies of the paper-based implementation of the peer evaluation system, including time demands and difficulty in providing midterm feedback, we transformed the paper instrument into a web-based form using web survey software. The online implementation begins with an introduction for the students explaining the evaluation process and a description of the rating categories and the scoring procedure. Respondents select their own names from a drop-down menu pre-loaded with a class roster, and then select the name of the team member being evaluated from a second identical menu. This menu format was used instead of a text box in which names are typed to ensure uniformity in how names were entered, a necessity when automating the computation of average scores for each student.

On subsequent pages of the form, respondents begin entering ratings. An example of one question as it appears on the web form is shown in Figure 1. Each question contains a heading specifying the category and a description of what various scores indicate on a scale from 1 to 10. Though we chose a radio button format, a drop down list can also be used. The respondent then selects one of the options. Note that the descriptions of the various ratings were not put beside the radio buttons because the label of the selection is exactly how the data will be stored electronically, and we only wish to have numbers so that averages can be calculated. Below each rating question is a text box that prompts the respondent to provide comments about why the score was assigned. On the final page of the form, students are reminded that they must fill out one evaluation for each of the team members, including themselves.

Once all of the students had completed their evaluations, we exported the responses to a data file consisting of rater names, the ratee names, numeric ratings, and comments justifying ratings. This file was opened in a spreadsheet (we used Excel). Before analyzing any of the data, we checked that all students had completed the evaluations by sorting on the respondent name, and counting (using the spreadsheet functions) how many responses each student entered. Those counts were compared to the group sizes, and any missing data could be identified easily.

Figure 1: Format of Questions in Web-Based Form



When all responses are available, it is possible to sort the list by group and then by the student being rated. Then the mean ratings for each student in each category, overall mean ratings for each student and group and the multiplication factors can all be calculated using basic spreadsheet functions. However, this process is somewhat time consuming and hard to automate because the presence of differing group sizes eliminates the possibility of easily copying formulas. In addition, this process does not allow for the creation of the midterm feedback reports that were desired. Therefore, to accomplish these tasks efficiently, the data was transferred and analyzed within a database (we used Access). We describe that process next.

Automated Student Feedback Reports

After the data were imported into a database table, a report was designed to display feedback information for each student. Relevant fields were chosen from the table containing the data, and grouping levels for the team and the student were added. We chose the option to include the average for each of the numeric fields. Page breaks were inserted after each student name, and because the fields shown on the report had short names (for example, the question regarding completing assigned tasks on time was named "tasks"), a legend was added at the bottom of each page to give the full description of each field. The layout and format of the reports were set up to fit all of the data for one student on two pages. An example of a partial feedback report is shown in Figure 2.

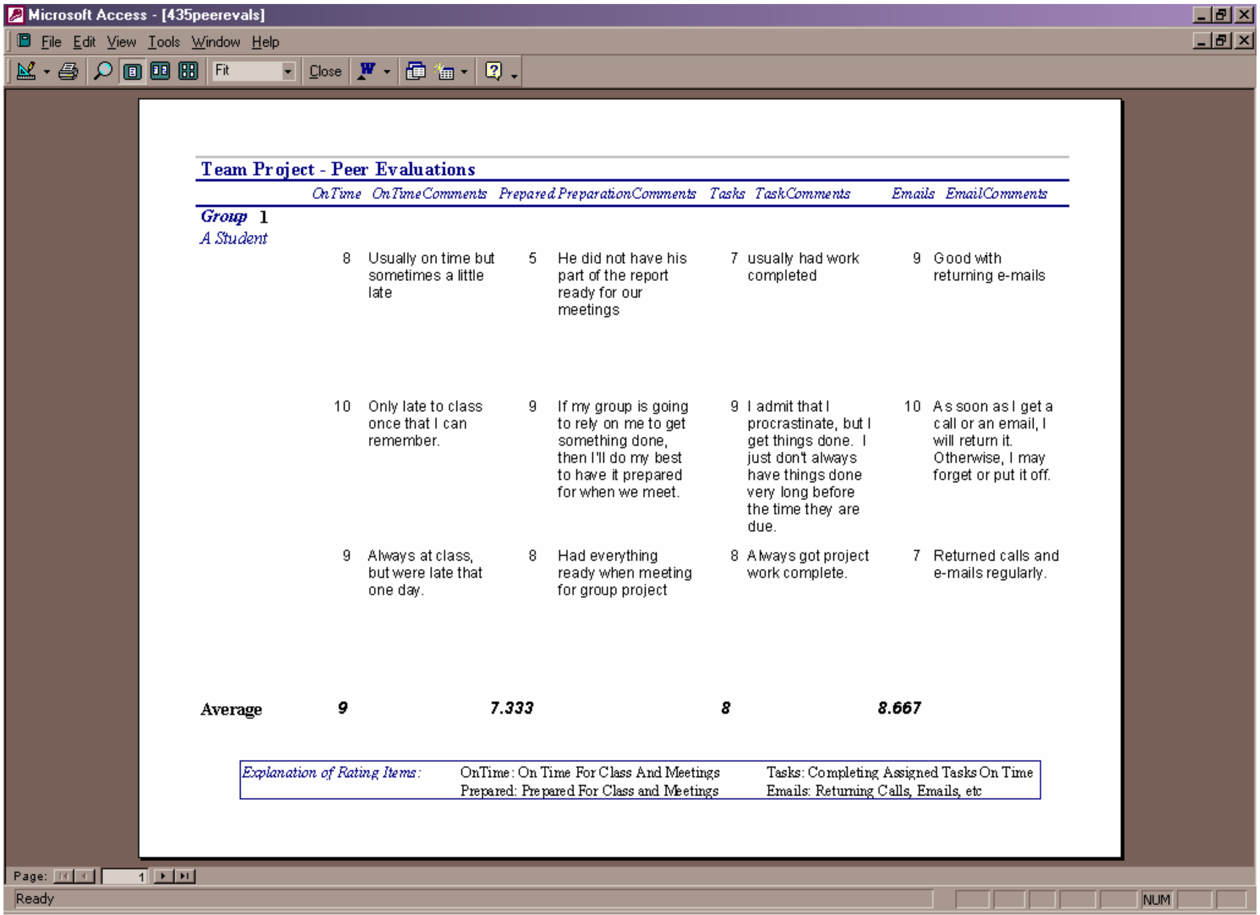
Automated Calculation of Multiplication Factors

While at mid-semester the evaluation data were used exclusively to create the feedback reports for students and to familiarize them with the evaluation process, at the end of the semester further processing was warranted to arrive at multiplication factors needed for calculation of individual grades. Although the task is not difficult in a spreadsheet, it is time consuming; using a database allowed us to fully automate and accelerate the process.

Three simple queries were used to accomplish the task. The first query reported the team number and calculated, for each student, averages for each of the rating categories and an overall average. The second query calculated average ratings by team for each of the categories and overall. Again, while we used equal weightings for all of the categories, different weightings could be incorporated in this step. Unlike the first two queries that were based on raw data contained in the imported table, the third query linked the team fields from the first two queries together, and for each student, reported the individual's and team's overall average, and then calculated the multiplication factor by dividing the individual by the team average.

Depending on the instructor's preference, there are two possibilities for the final step of assigning grades to individuals. If the instructor wishes to have in his or her grade book, each student's team grade, multiplication factor, and individual grade, then the last query can simply be sorted by student name, and the multiplication factors can be copied directly into a column of a spreadsheet. If, however, the instructor only wishes to view individual grades in the grade book, a table containing the name or number of each team and the corresponding grade can be added to the database. Then, one final query can be written that links the teams in the grade table to those in the third query that produces the individual multiplication factors. This final query can calculate an individual grade for each student by multiplying the group grade by the individual's multiplication factor. If the query is sorted by student name, then these data can be pasted directly into a column of a spreadsheet.

Figure 2: Sample Access Feedback Report



OnTime	OnTimeComments	Prepared	PreparationComments	Tasks	TaskComments	Emails	EmailComments
8	Usually on time but sometimes a little late	5	He did not have his part of the report ready for our meetings	7	usually had work completed	9	Good with returning e-mails
10	Only late to class once that I can remember.	9	If my group is going to rely on me to get something done, then I'll do my best to have it prepared for when we meet.	9	I admit that I procrastinate, but I get things done. I just don't always have things done very long before the time they are due.	10	As soon as I get a call or an email, I will return it. Otherwise, I may forget or put it off.
9	Always at class, but were late that one day.	8	Had everything ready when meeting for group project	8	Always got project work complete.	7	Returned calls and e-mails regularly.
9		**7.333**		**8**		**8.667**	

Explanation of Rating Items: OnTime: On Time For Class And Meetings; Prepared: Prepared For Class and Meetings; Tasks: Completing Assigned Tasks On Time; Emails: Returning Calls, Emails, etc

Implementation Using Web Forms and Microsoft Office

We implemented the web-based evaluation system in web survey software called nTreePoint *Web Forms* (see Unidigm, 2005). Like many other commercially available web-based survey software, *Web Forms* uses a WYSIWYG ("What You See Is What You Get") editor that is readily accessible to non-technical users. Using only basic web-browsing skills, users develop single or multi-page forms by specifying the question type (e.g. text box, drop-down menu, check boxes) along with the caption and responses. Questions can be designated as "required," as indicated by an arrow next to a question number (see Figure 1), so that students may not leave the page without answering it. Security can be set up so that only specific users or groups can have access, and forms can be activated or deactivated manually or by setting begin and end dates.

The resulting data can be viewed on screen or exported to a Microsoft Excel Comma Separated Values (csv) file that can be opened and saved to a standard Excel file. Computations of mean ratings and multiplication factors can be done directly in Excel, but to fully automate the process, we imported the data from Excel into an Access database table (for a useful source on basic Access usage see Harkins & Gunderloy, 2003). Reports were generated quickly using the Access Report Wizard, although some minor formatting was done by hand to make the reports more visually appealing. We chose to insert a table with the team grades into an Access table, and to write a final query that outputs the individual grades by student. That information was pasted directly into the Excel grade book.

The development of the web survey using *Web Forms* took about one hour, but this time investment was one-time only, as this same form will be used in subsequent semesters. The only change that will need to be made in the future is to load in the current class roster into the rater and the ratee name questions, which will take only a few minutes. In Excel, we took a few minutes to do some minor formatting before importing the file into Access. Once in Access, the writing of the queries and creation of reports took approximately two hours by a fairly experienced Access user, but again, this time investment will not be required in the future. While less experienced Access users may take slightly more time to develop the queries and reports, the time savings is likely to be dramatic, based on our experience. Once the web data collection form is developed and the database queries and reports are written, feedback reports and final grades can be generated in a matter of minutes. Since the paper- and pencil process took up to a week, even with multiple workers, this automation demonstrates a significant time savings.

CONCLUSION

This paper has sought to explain how instructors can become more efficient and effective in their administration of peer assessments. Using a web-based survey software aids in this endeavor and allows the instructor to more effectively administer mid-term evaluations for formative reasons and end-of-term evaluations for grading purposes. As the data can be exported to commonly used spreadsheet and database software, the investment of time to learn new software packages is minimized.

While we use a BARS to assess our student team members, this approach is applicable for most types of numerical and qualitative peer assessments. While the constructs and items may change, the principles and techniques of administration still apply.

Our experience shows us that the instructor who is of average competence with word processing, web browsing, spreadsheet and database software, will be able to design and implement this process. Once the initial time investment is made to design the system, instructors will be able to effectively and efficiently give midterm formative feedback to students regarding their performance on their teams. This then allows the opportunity for student improvement and learning.

Additionally, the system will allow instructors to assign individual grades for team projects. This in turn, may help the instructor reduce free rider problems associated with teams. Overall, using web-based survey software gives us an instance where technology clearly aids us in our efforts to more effectively deliver our courses.

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APPENDIX: BARS EVALUATION INSTRUMENT

Introduction

Performance/Peer Evaluations are important to develop a grading system, as well as to assist in the facilitation of the group process. These evaluations will give individuals a chance to receive a fair grade based on the work they performed throughout the semester. The final average of this evaluation will be multiplied by the group grade to give you a final grade for the project. It is calculated by taking your total average rating for the behaviors and dividing it by the total average for the team. For example, you have a total average of 8.2. The team average is 7.7. We take 8.2/7.7=1.06. The 1.06 is then multiplied by the team points received on the project resulting in a higher grade for you. Conversely, if you have an average of 6.3 and the team average is 7.7, then we would multiply the team points by 6.3/7.7=.81 resulting in a lower grade for you.

Areas of Evaluation

Students will be evaluated in the following areas:

1. On time for class and meetings
2. Coming prepared to team meetings and class
3. Completing assigned tasks on time
4. Returning calls, emails, etc.
5. Participating with the group/offering ideas and input
6. Listening and considering the ideas of others
7. Taking on their share of the work
8. Producing high quality work

Scoring

Each student will assign his/her peers a score between 0-10 for each category. A 0 is the lowest score (0%), a 7 is an average score (70%), and a 10 is the highest score (100%). There will also be a comment area in which you must provide comments explaining the reasoning behind your given score. These evaluations will not be seen by the individuals being evaluated.

Please read the following questions and pay close attention to the scores. Keep your evaluation of each person based on the behaviors indicated, not on your personal feelings of that person.

Additionally, remember that you need to evaluate yourself. While your evaluation of self won't be in the grading scheme, you can see how your perceptions of your performance compare with your team's.

On Time For Class And Meetings

Rate your group member using this scale:

10 = Always on time for class and team meetings.
7 = Late once, but notified group members ahead of time.
5 = Late twice, but had a good reason.
3 = Late three times, and did not inform group.
1 = Late more than 3 times for group meetings.

Prepared for Class and Meetings

Rate your group member using this scale:

10 = Came prepared to every meeting with more than required.
7 = Prepared with necessary information for every meeting.
5 = Did not have the necessary information on one occasion.
3 = Did not have necessary info on 2 or 3 occasions.
1 = Came to 4+ meetings unprepared, or did not come at all.

Completing Assigned Tasks on Time

Rate your group member using this scale:

10 = Reliable, always had work completed early and ready for revision.
7 = Met all deadlines; work always completed on time.
5 = Made effort and completed work on time, except once.
3 = Missed 2 deadlines, handed in incomplete work.
1 = Did not meet 3+ deadlines, or complete work; unreliable.

Returning Calls, Emails, etc.

Rate your group member using this scale:

10 = Returned all calls and emails within a couple hours.
7 = Returned calls and emails within a day.
5 = Returned calls and email within a day, except for one time.
3 = Did not return calls or emails 2 or 3 times; hard to contact.
1 = Never returned phone calls or responded to emails.

Participating with the Group/ Offering Input and Ideas

Rate your group member using this scale:

10 = Gave excellent input to group, participated at every meeting.
7= Shared some good ideas at every meeting and class.
5= Gave ideas and insight, except for one class meeting.
3 = Gave few ideas; did not get involved in group discussions.
1= Never got involved in meetings; did not offer input.

Listening and Considering the Ideas of Others

Rate your group member using this scale:

10 = Focused during meetings, listened to others, leader.
7 = Listened to others and respected their opinions.
5 = Was respectful and considerate except for once.
3 = Had trouble focusing; did not listen to others; was rude sometimes.
1 = Always rude, disrespectful, rejects opinions of others.

Taking on their Share of the Work

Rate your group member using this scale:

10 = Always volunteered; took on more than their share of work.
7 = Volunteered for projects, always did required work.
5 = Did what was asked; helped out when they could.
3 = Took on minimal work, was last person who volunteered to help.
1 = Did not take on work or offer much help to the group.

Producing High Quality Work

Rate your group member using this scale:

10 = Great writer/researcher, revised papers.
7 = Produced work with minimal errors; willing to revise.
5 = Completed work was average; had to be revised and reworded.
3 = Work was done partially and looked "thrown together."
1 = Work was done carelessly or not done at all.

NOTE: Students were asked to provide comments for each evaluation.